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Unemployment Insurance Review

May–June 1965

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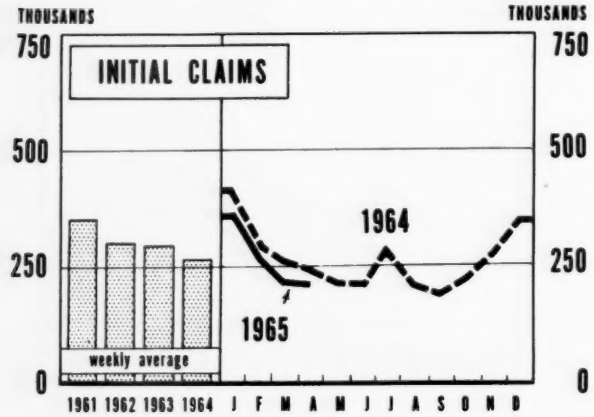
In this issue . . .

A New Look at Taxable Wages for UI Financing
Teamwork Pays Off During Emergency
Itinerant Claims Service in Oregon

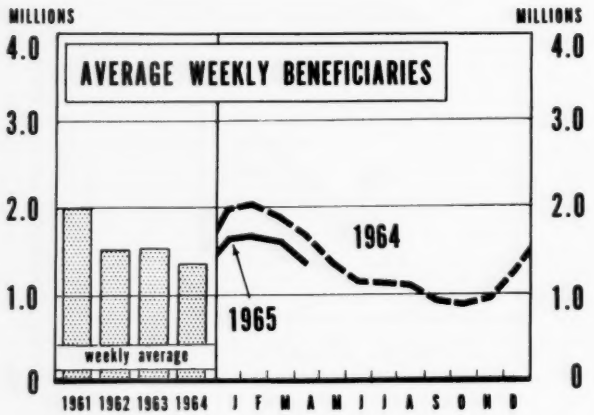
UNITED STATES DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

UNEMPLOYMENT INSURANCE ACTIVITIES

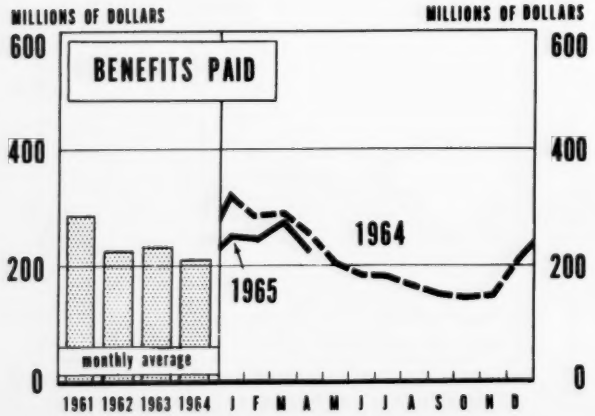
UNDER STATE PROGRAMS



Jobless workers filing initial claims under State programs in April averaged 219,900 per week—slightly below the March level but nearly 11 percent below the April 1964 average.



The number of unemployed workers receiving benefit payments under regular State unemployment insurance programs averaged about 1.4 million in April. This was 16 percent below the March volume and 18 percent lower than a year earlier.



Benefits paid under State programs totaled $225 million in April. This represented declines of 18 percent from March and 13 percent from April 1964. During January-April 1965, benefit payments to unemployed workers totaled nearly $1.0 billion, compared with more than $1.1 billion in the same 1964 months.

Unemployment Insurance Review

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U.S. DEPARTMENT OF LABOR
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Stanley H. Ruttenberg, Administrator

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The UIS Director Comments

PERHAPS the most striking thing about current public discussion of unemployment insurance is the sharp contrast between almost unanimous acceptance of it as a social institution, and the depth and breadth of differing views on almost every aspect of it. With the proponents of "unemployment compensation" and "unemployment insurance" still tilting at each other, they seem unable to agree even on the name of the program.

It is not surprising that so much disagreement exists. As an industrial Nation, we came to unemployment insurance relatively late, and then only when goaded by a major depression. As anticipated, we found that we had entered upon an inherently controversial enterprise that touched on deep-rooted personal and communal sensitivities such as implicit and explicit conditions in hire contracts, freedom of occupational choice, the rights and wrongs of work separations and, above all, the moral concern with the interrelationship of work, income, and unemployment.

In a sense, the greater surprise should be that there is any appreciable degree of agreement. Yet agreement does exist as is proven by the program's survival and continuous reaffirmation in legislative changes. Those of us who are daily and deeply involved in the controversies tend sometimes to overlook areas of basic agreement underlying the public arguments.

Many of the areas of agreement have developed as institutional characteristics that have become deeply imbedded in the American UI system. As a result, argument in these areas tends to focus on the detail of structure or method of application rather than on the broad principle or concept.

The system itself is a Federal-State partnership, and no one seriously expects it to become wholly a State or wholly a Federal enterprise. Rather, discussion is focused on the relative roles of the Federal and State governments.

The benefit provisions that seem so diverse and discrete have a solid substructure of common purpose and concept. The definition of total unemployment for benefit purposes is an example. Our concept is not the lack of a job to return to, but rather a lack of work and remuneration (usually wages) for a claim week. Important qualifications have been placed on this concept and significant differences exist among the States in its precise definition and application. However, the fundamental principle has unanimous support.

The same may be said of benefit eligibility and duration. To be eligible for benefits a person must satisfy a minimum requirement as to employment or wages earned during a recent 1-year period preceding his claim. If eligible, his entitlement will extend for a specified duration during a 1-year benefit period. So broad a description omits important differences among States but it does point up similarities of basic approach—that we confine benefits to persons whose recent labor force attachment has been demonstrated by qualifying earnings or employment; that we view unemployment insurance as a type of term insurance, rights to which expire at the end of the risk period covered; and that we consider it a program of limited benefit duration.

Despite concern that benefits are inadequate or, on the other hand, high enough to provide a disincentive to work, two fundamental agreements about the weekly benefit amount (WBA) stand out. Our system relates the WBA to the claimant's wages and accepts, as a norm, that at levels below the maximum he should get a WBA of at least half his weekly wage. Here, too, it must be emphasized that there are many wide differences. But, benefits are not paid at a flat rate, and do not represent an effort to pay a claimant either very small or very large fractions of his wage loss.

In financing, there still are arguments about the desirability of employee contributions or the propriety of some general revenue contribution. However, it seems clear that, regardless of the final answer as to other revenue sources, employer contributions are established as a basic source to finance regular benefit payments. Similarly, whether or not it continues to be required as a basis for full Federal tax offset to employers who pay State UI contributions at reduced rates, experience rating in some form seems deeply ingrained in our UI system.

These examples barely begin to list areas of agreement but they do illustrate that unemployment insurance in this country has established basic fundamental characteristics which most of the disputed proposals for change do not ever reach.

A New Look at . . .

Taxable Wages for UI Financing

*Curtis P. Harding**

MUCH has been written and much has been said about raising the wage ceiling on which employers pay contributions to finance the billion-dollar Federal-State unemployment insurance program in the United States.

The Benefit Financing Committee of the Interstate Conference of Employment Security Agencies (ICESA) has repeatedly urged action to increase and update the wage base. The Bureau of Employment Security has favored such action when it has been introduced, from time to time, as part of other recommended legislation. The State Employment Security Agencies were polled by the ICESA in 1961, and a majority of those voting favored an increase.

Several Facts Stand Out

1. The wage base subject to the Federal Unemployment Tax Act (FUTA), setting the Federal standard for States, is limited to earnings up to $3,000 and has not been changed for 25 years.

2. The wage base subject to Old-Age and Survivors Insurance (Social Security), now $4,800, was increased three times in the past 25 years and has been increased again, to $6,600, effective in 1966.

3. The average annual earnings of insured workers in the United States has increased in the past 25 years from $1,315 in 1938 to $5,309 in 1963, and if past trends continue will reach $5,800 in 1966 and $6,700 by 1971.

4. In 1963, Norman Barcus, Chairman of the ICESA's Benefit Financing Committee, surveyed each State's financial problems and reported to the Executive Committee of ICESA that there was "almost unanimous opinion among the States that the $3,000 tax base is obsolete and should be increased. Many of the States (think) . . . the Federal Government should take the initiative. . . . Even those States in which the tax base is now above $3,000, as it is in about a dozen States, feel that the tax base should be higher, that the present base of $3,600 or more in some States is only a stopgap, and that the base will have to be increased again in the not too distant future."

5. The legislatures of 18 States have raised the wage base applicable within their own States, in the face of possible State tax disadvantage, because they believed it was in the best interests of the program.

6. If average wages continue to increase at a conservative projected rate of only 3 percent per year, then the average annual earnings of insured workers in the United States will be $7,500 in 1975, and the present FUTA wage base ceiling of $3,000, if it were to continue unchanged, would represent only 40 percent of total payrolls. That is, three-fifths of the Nation's FUTA payrolls would be exempt from taxation.

7. Benefit costs are more closely correlated to total wages than to subject wages. Costs tend to increase at a faster rate than subject wages because benefit formulas are based on total wage salary rates, rather than on subject wage averages.

Financing the Program

Revenues for the State UI programs are obtained by a tax on employers' payrolls of "covered workers," but only on employee earnings up to a specified "wage ceiling," usually $3,000.

All *new* employer accounts, those without sufficient experience, pay taxes at a *uniform rate* (usually 2.7 percent), but only on employee earnings up to the specified subject wage ceiling.

*Administrator, Utah Department of Employment Security. (The 1965 enactments by State legislatures and the Congress that were approved after this article was written were incorporated by the author before final proof was submitted to the printer.)

Editor's Note: The views of the author are not necessarily the opinions of the Bureau of Employment Security.

Employers with sufficient experience—from 1 to 4 years (varying State by State)—are "experience rated," that is, assigned reduced rates or higher rates, depending on their experience with unemployment. In theory, this means that the UI taxes paid by these employers are related directly to the unemployment or benefit costs attributable to their operations. Each employer is expected to pay into the fund an amount related to the benefits drawn by his former workers.

But not all benefits are charged against or related to specific employers. For example, the cost of some benefits paid, even though charged against specific employers, cannot be recouped from these employers when they have discontinued operations.

A major source of "noncharging" stems from application by all States of a maximum tax rate, a percentage above which taxes are not, and by law cannot, be collected. When a given employer's benefit costs exceed the amount that can be produced by applying the maximum tax rate to his "subject" wages paid, there remains a balance that cannot be recouped.

The financing systems provide a method to take care of such "pooled" costs for those benefits that are not financed under the regular employer experience rates.

Some Observations

1. If it were possible to obtain all the needed revenue through a process of accurately relating all benefit costs to specific employers, and if such a goal were desirable, it would make no real difference as to the kind of formula or wage base used to provide the predetermined number of dollars.

2. It has long been recognized that there is not 100-percent specific employer responsibility for all unemployment that exists or is compensated.

3. A system has not yet been devised that fully finances all benefit payments on an individual employer responsibility basis.

4. The level of wages paid varies considerably from employer to employer.

5. Benefits paid vary greatly from employer to employer and from year to year. Over a period of years many employers change from low-cost to high-cost, and vice versa.

6. Some high-cost employers are also high-wage employers; some high-wage employers are low-cost as far as unemployment benefit payments are concerned. And, of course, some high-cost employers are low-wage employers.

The Situation and the Objective

Factually, employers are paying into a pooled fund, and from these funds workers who are so unfortunate as to lose their jobs draw benefits. Some of these benefits are identified or "experience rated," and some are not. The taxing of employers should be as equitable as can be—with proper sharing of pooled costs and with experience rating rewarding the employer who holds his identified unemployment to a minimum.

The Case for Increasing the Wage Base

The need for a higher wage base to permit equitable financing of pooled costs can be illustrated in terms of potential benefits payable. Annual wages of $3,000 would produce a weekly benefit amount (WBA) of $29, assuming such to be one-half the weekly wage. Annual earnings of $7,500, on the other hand, would produce a WBA of $72. (Alaska now has a maximum WBA of $70 and at least a dozen other States have maximums of $50 or more with future increases inevitable.)

Based on a WBA of 50 percent of average wages, for a 26-week duration, the potential benefits payable for the claimant with a $3,000 average wage would be $754; for the $7,500 average wage the potential benefit would be more than double, or $1,872 per eligible claimant. With potential dollar amounts of benefit costs per worker of this magnitude, the tax rate-wage ceiling relationship becomes urgent because maximum tax rates even as high as 5 or 6 percent on a low $3,000 wage base could not possibly recoup charges from high-cost, high-wage employers.

Not only are high-wage, high-cost employers enjoying a tax-free subsidy because of the failure of the *maximum rate* and *standard rate* to cover costs when applied to a low wage base, but other high-wage employers are escaping their fair share of the burden of "mutualized" costs, that is, the costs for noncharged and ineffectively charged benefits. In most States these costs are significant and an equitable method of assigning them becomes more important as the gap between the $3,000 wage base and total wages becomes larger. Principles of good experience rating suggest that when such costs cannot be identified they should then be allocated to all employers on a representative basis such as total payrolls rather than on an increasingly unrepresentative basis of "subject" wages. The relationship between benefit costs and

total wages is close; they tend to increase at the same rate. Benefit costs, on the other hand, are increasing faster than subject wages. The lower the subject wage ceiling and the higher the average total wage, the greater the discrepancy.

The Problem of Mutualized Costs

Noncharged "mutualized" costs immediately reflect the higher weekly benefit amounts computed on increasingly higher wages. It would be illogical and inequitable to attempt to collect such higher pooled costs from all employers by applying a flat percentage rate on only a small part of payrolls. Consider the ludicrous logic had the subject wage ceiling been set at $1,000 or even $2,000, with the average wage of covered workers in the United States to be $7,500 by 1975, and higher if inflation occurs. As long as the payroll tax is the chosen vehicle for financing unidentified benefit costs, then, obviously, a higher wage base would better assess such costs on a proportionate distribution of shared responsibility for such costs.

A taxable wage base above $3,000 would also be more equitable in absorbing the mutualized costs for collecting contributions from new accounts whose experience with unemployment is unknown, but some of whom pay high wages averaging well above $3,000 per worker.

Most States assign a standard rate of 2.7 percent to new employers and almost all set a maximum or ceiling rate which limits the contributions collectible from high-cost employers. Therefore, the *only possible way* to collect more contributions from such high-cost, high-wage employers would be to raise the taxable wage base.

Some History and Suggestions

The accompanying table includes data (beginning with 1938) on average annual earnings for workers covered by the UI program, and data related to a simple proposal which Congress, the Bureau of Employment Security, and the States might consider to put the FUTA and possibly *all* payroll tax systems on the same wage base.

This proposal would use the average annual wage of insured workers as a general guideline to indicate the necessity for updating the wage base by $1,000 increments at not too frequent intervals. The table shows only five changes in the 37 years 1938–75, and a sixth would be due in 1977, if conservative projections materialize. The length of

AVERAGE ANNUAL EARNINGS OF WORKERS COVERED BY STATE UI PROGRAMS, AND SELECTED TAXABLE WAGE CEILINGS, 1938–75

Year	Average annual earnings	Proposed FUTA wage ceiling [1]	OASI taxable wage ceiling	FUTA taxable wage ceiling
1938	$1,315	$1,000	$3,000	[2]
1939	1,360	1,000	3,000	$3,000
1940	1,405	1,000	3,000	3,000
1941	1,572	1,000	3,000	3,000
1942	1,867	1,000	3,000	3,000
1943	*2,144*	1,000	3,000	3,000
1944	2,301	1,000	3,000	3,000
1945	2,346	1,000	3,000	3,000
1946	2,428	1,000	3,000	3,000
1947	2,683	*2,000*	3,000	3,000
1948	2,904	2,000	3,000	3,000
1949	2,961	2,000	3,000	3,000
1950	*3,136*	2,000	3,000	3,000
1951	3,405	2,000	*3,600*	3,000
1952	3,593	2,000	3,600	3,000
1953	3,795	2,000	3,600	3,000
1954	3,875	*3,000*	3,600	3,000
1955	*4,062*	3,000	*4,200*	3,000
1956	4,220	3,000	4,200	3,000
1957	4,377	3,000	4,200	3,000
1958	4,501	3,000	4,200	3,000
1959	4,725	*4,000*	*4,800*	3,000
1960	4,854	4,000	4,800	3,000
1961	4,969	4,000	4,800	3,000
1962	*5,150*	4,000	4,800	3,000
1963	[3] 5,369	4,000	4,800	3,000
1964	[3] 5,468	4,000	4,800	3,000
1965	[3] 5,632	4,000	4,800	3,000
1966	[3] 5,801	*5,000*	[4] *6,600*	----------
1967	[3] 5,975	5,000	[4] 6,600	----------
1968	[3] *6,154*	5,000	[4] 6,600	----------
1969	[3] 6,339	5,000	[4] 6,600	----------
1970	[3] 6,529	5,000	[4] 6,600	----------
1971	[3] 6,725	5,000	[4] 6,600	----------
1972	[3] 6,927	*6,000*	[4] 6,600	----------
1973	[3] *7,134*	6,000	[4] 6,600	----------
1974	[3] 7,349	6,000	[4] 6,600	----------
1975	[3] 7,569	6,000	[4] 6,600	----------

[1] Proposed increase to be effective 4 years after average annual earnings figure (column 1) reaches next higher $1,000 interval.
[2] Based on total wages in 1938, and on taxable wages thereafter.
[3] Projected on the basis of a 3-percent-per-year increase.
[4] Social Security Amendments of 1965, approved July 30, 1965.

time between changes averages about 6 years. The strength of the proposal lies in its voluntary basis —requiring agreement only on its desirability by all concerned, with legislative prerogatives retained by the Congress and State legislatures to achieve separately the urgent common goals of uniformity and adequacy.

The table demonstrates also that the $3,000 figure should not be accepted as "sacred." In 1941, it represented double the average wage of all insured workers. Over 90 percent of all payrolls were then subject to unemployment insurance taxes. The only exemptions were the extremely high salaries of a very few workers. If facts and logic had supported it, the $3,000 ceiling might have been as readily lower as higher. To illustrate the point, let us just suppose that the ceiling had been originally and logically set at $1,000 instead of $3,000 in 1941 before inflation occurred. Currently, an

adequate maximum tax rate on a $1,000 wage base would, in order to finance present benefit programs, require maximums of nearly triple the present rates. Such rates would supply the dollar amount of income needed, but the inequity of such a low wage base would be obvious when the impact of the tax on high-wage employers was compared with the tax on low-wage employers. And there would be no way to collect the excess costs from high-wage employers with high costs.

The contribution relationship required for amounts approaching potential costs per claimant of up to $1,900, on a taxable wage base per worker of only $1,000, makes apparent the difficulties experience rating would encounter in trying to balance income and outgo on such a wage base for firms with high wages and high unemployment. Noncharged and ineffectually charged benefits would tend to be higher and this in turn would apply more severely on contributions from the low-wage firms. That is, the low-wage employer would tend to pay a percentage of total payrolls at a much higher rate than high-wage employers, even though subject wage contribution rates were similar.

It appears obvious that such a tax system applying on such a low proportion of average wages would be inequitable and objectionable. And as the years go by and if average wages increase to another doubling or tripling of the present level, then the current $3,000 limitation will be just as obsolete and inapplicable 10 or 15 years from now as a $1,000 limitation would be today.

Balance Between Costs and Taxes

Nearly any type of desired result can be obtained by modifying the experience rating formula, *provided the tax base is increased enough* to give the foundation for rate variations to work on. If a State increases its taxable wage base, then experience rating can apply higher rates to higher wages of unstable firms in industries such as mining and construction to restore equity—compared to the same rates applied on the low wages of firms in other industries. And, at the same time, substantial income from higher rates on such higher wages would permit assessment of lower rates on stable firms.

Equity in costs and taxes between high-wage and low-wage industries or firms lies also in modifying the benefit formula to vary potential benefits according to claimants' prior earnings. This modification pertains especially to the duration entitlement of seasonal workers in such high-wage industries as construction and mining, or low-wage industries such as apparel, where seasonal workers can draw benefits at a rate which bears relationship to the contributions paid on their wages.

Agreement Needed

Agreement is needed on the question of what constitutes a proper and adequate ceiling on wages that should be subject to a payroll tax. Also needed is a method for updating such a ceiling. It would seem logical from the above considerations that average total wages of insured workers might be used as a guide for setting such a ceiling, as illustrated in the table.

Evidence of Feasibility and Value

Below is a roundup of considerations in 16 of the 18 States which have acted to increase the taxable wage ceiling. This summary provides incontrovertible evidence of the feasibility and value of an increase for all States.

Alaska increased the wage base to $3,600 in 1955; to $4,200 in 1956; and to $7,200 in 1960. The State believed that a low base places a relatively heavier burden on low-wage industries. Because a higher proportion of their *total* wages are taxable, low-wage industries have a higher effective tax rate. Moreover, the high-wage industries, such as construction, draw heavily on the fund. Even with a wage base of $7,200, high escapement of taxes in construction represents a liability which is not properly financed.

Arizona increased the wage base to $3,600, effective in 1965, even though the State's reserve position was extremely strong. The broader wage base was adopted to strengthen the experience-rating system, and was taken in the interest of a more equitable allocation of the costs of the program, not out of any need for additional income. The Arizona financial structure—providing for rate adjustment to a planned yield—maintains a stability of income. It was expected that lower rates would apply on the higher base. An increase in the maximum WBA from $35 to $43 did not permit lower rates but the same rates on the higher base produced the additional 13 percent revenue required.

California increased the wage base to $3,600 in 1960, and to $3,800 in 1962, for a general strengthening of the State's unemployment insurance financial structure. In 1965, the State raised its wage base to $4,100, with a proviso for returning it to $3,800 whenever the total revenue equals or exceeds total disbursements during any 12-month period.

Study findings indicated that unemployment insurance costs were certain to increase because of increasing wage levels—apart from growing employment and the unemployment rate. The State concluded that the increase could be met in time only by increasing the tax base (taxable wage ceiling), or increasing the tax rates, or by a combi-

nation of both. It was suggested that a basic way of helping to build in actuarial balance would be to make the tax base somehow commensurate with the wages that determine the benefit amount. Then, the changes that come with time need not disturb the balance between income and outgo, at least not for the reason that benefit exposure outgrows the tax base. This could be done in a number of ways. For example, no ceiling on taxable wages would be one; a maximum related to the average wage another; a maximum related to the maximum benefit amount or to the corresponding base year earnings figure were additional suggested methods.

Delaware increased the wage base to $3,600 in 1955. The higher wage base effective in this State for the past 10 years has helped it to weather the past two recessions and preserve the principles of experience rating.

Hawaii increased the wage base to $3,600 in 1962 and, effective in 1965, to a flexible amount equal to 90 percent of average earnings. This State acted to preserve solvency and establish strong principles of experience rating after very serious difficulties in 1963 and 1964 when the reserve position reached low points. The automatic wage base escalator adopted by Hawaii points the way to a logical arrangement whereby a balance between wage base and tax rates can be achieved so that the experience rating system can promote the principle of each employer paying a fair and proportionate share of unemployment insurance costs.

Idaho increased the wage base to $3,600 in 1963 because an increasing proportion of the wages used in the benefit determination was falling outside the taxable wage limits. For example, it was observed that an Idaho claimant who qualified for a $45 weekly benefit amount for 26 weeks must have had $4,095 or more in base period wages, and the $3,000 limitation was not related to the cost potential.

Massachusetts increased the wage ceiling to $3,600 in 1962. The State's decision to raise the taxable wage base from $3,000 to $3,600 was prompted by the need for more income to match rising benefit costs. Since high-wage employers generally preferred an increase in rates and low-wage employers an increase in the tax base, the 1962 amendments to the financing section of the Massachusetts employment security law were a compromise based on a proposal made by the Associated Industries of Massachusetts. Both the tax base and the tax rates increased.

Michigan increased the wage base to $3,600 in 1963. This action was part of an overall revision of the experience rating system to strengthen solvency. At the same time that the wage base was increased, the contribution rates for employers with low ratings were increased while those for employers with high percentages were decreased.

Nevada increased the wage base to $3,600 in 1954. A benefit formula revision in 1953 required an equitable tax for high-wage employers to reflect the higher wages on which the higher benefits were payable. In 1965, Nevada increased its wage base to $3,800.

Oregon increased its wage base to $3,600 in 1956 and to $3,800 in 1960, depending on the reserve fund ratio. In 1965, Oregon repealed the provision which increased the wage base by $200 whenever the reserve fund ratio fell below 6 percent. This action stabilized the wage base at $3,600. The State initially raised its wage base from $3,000 to $3,600 in order to avoid suspension of experience rating because costs were expected to be higher than the 2.7 maximum rate.

Pennsylvania increased the wage base to $3,600 in 1964. This action was taken to improve the State's reserve position by lowering minimum rates and increasing the wage base. This balanced approach was based on the idea of making more untaxed wages subject to a tax to support the program in the belief that all wages of production should share the costs of workers' benefits. Because the taxable wage had been held to its narrow base in Pennsylvania, the low-wage industries had been supporting the program, with taxes levied on all or nearly all of their wages while higher wage industries in many instances had paid taxes on only 50 to 60 percent of their payrolls.

Rhode Island increased the wage base to $3,600 in 1956. This State's ability to maintain fund solvency after serious financial difficulties is partly due to this action.

Tennessee increased the wage base to $3,300 in 1963. Major considerations were the continuing decline in reserves despite maximum rates in effect as high as 4 percent, and the need to liberalize the benefit formula. They believed that the reserve was inadequate to meet a severe recession without being seriously depleted and, further, that still higher maximum rates would in the long run do very little to improve the reserve position since the amount of payroll which would be exposed to the increased tax would be negligible. Other arguments that carried considerable weight in Tennessee were: (1) that total wages were used in determining the benefit rights of a claimant, but were limited in taxing provisions to the first $3,000 of wages; (2) the belief of employers that an increase in the tax base is inevitable; and (3) that it is better to have the State increase its own base than to wait for an amendment to the Federal Unemployment Tax Act.

Utah increased the wage base to $4,200 in 1964. This State made an exhaustive study of the combined effect of various wage base recommendations and experience rating formulas on individual employers. When the Utah wage base was increased, tax rates were decreased for most employers. There was not only a decline in most tax rates, but there was an actual decrease of 17 percent in the overall dollar amount of taxes paid. The stable employers, particularly, were provided with decreases, but unstable employers paid a higher rate on a higher base.

Vermont increased the wage base to $3,600, effective in 1964, and at the same time proposed an increase in the maximum tax rate. Their objective was to provide long-range and equitable financing. The maximum rate on the higher base was scheduled to reach 4.5 percent by July 1, 1965.

West Virginia increased the wage base to $3,600 in 1962 in order to provide a proper tax-rate balance and because an increase in the tax schedules alone to *reasonable* levels would not adequately finance the program while total wages were in an inevitable upward spiral. It appeared that all West Virginia employers would be burdened with the maximum tax rate and they recognized the fact that it would be better to pay taxes on a higher base at their own individual experience rate than it would be for them all to pay at the maximum 2.7 rate on the $3,000 tax base.

Teamwork Pays Off During Emergency

*Doris E. Hartman**

THE day after a fire of unknown origin devastated the Highland Park office of the New Jersey Division of Employment Security, claimants were receiving their unemployment insurance checks in a temporary facility set up in the adjoining community of New Brunswick. This outstanding example of service under unusual circumstances was the result of a high degree of cooperation between two of New Jersey's State agencies, and demonstrated the efficient way in which employment security personnel pitched in to repair the damage and resume operations.

The Highland Park office was located on the ground floor of a two-story building that also included a large meeting hall, a number of business establishments, and several other offices. The fire, when discovered at 5:15 a.m. on Wednesday, March 10, had crept through the upper walls and ceiling. A general alarm brought apparatus from adjoining communities. When local office personnel arrived for work at 8:30 a.m., the upper floor was enveloped in flames, tons of water were being poured on the structure, and firemen would permit no one to enter the office to retrieve important benefit claims and employment service records. The upper walls were collapsing and it was feared that the lower floor would be gutted. A reinforced concrete ceiling withstood the strain, however, and the main damage was caused by water which cascaded through ceiling vents and soaked equipment and records.

Emergency Actions

A telephone call to Arthur J. Lynch, Jr., Superintendent of Field Operations at the central office in Trenton, brought quick mobilization of the facilities of the Division of Employment Security. By noon of that day, Edward J. Hall, Director of the Division, had completed arrangements with the State's department of defense to establish a temporary facility in the New Brunswick National Guard Armory, less than 3 miles from the Highland Park office. By 2 p.m., a moving van loaded with equipment and supplies requisitioned from a Trenton warehouse had arrived at the armory. Later that afternoon, a barren structure that was used only once a month for military drills had become a completely stocked and furnished office. Only a claims counter was missing, and this was provided by a local contracting firm whose employees worked through the night to construct and install a collapsible counter that could be removed for the guard's monthly drills.

At 8:30 the next morning, while firemen were still wetting down the smoldering embers in the burned building, the claims section in the temporary facility at the armory was ready for business. Shortly thereafter, the placement section was receiving job orders and sending applicants out for interviews.

On the day of the fire, local news media kept the public alerted to tentative plans for the temporary office. Claimants due to report that day, as well as those scheduled for the next day, were told by radio announcement where to report. On the day after the fire, 800 benefit checks were distributed even though claims records were not available.

How It Was Accomplished

Since no records were available, claimants were instructed via the news media to bring with them all available identification, such as registration cards, check stubs, and other pertinent forms and letters. Personnel in the Bureau of Machine Services, working around the clock, reproduced pay-order cards and prepunched checks for all claimants scheduled to report on the day of the fire and the two following days.

Each claimant, when he reported, was required to complete a dummy claims jacket—listing his name, address, social security number, and benefit rate—and was asked to affix his signature attesting to the truth of the information provided. Claimants were then told to report to their usual line, where each presented the dummy claims jacket

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and his identification (ID) card. Claims clerks then pulled the proper pay order and asked the claimant if he had received a benefit check the previous week.

Claimants who answered in the affirmative were given a benefit check and were told to report back the following week at the same time. Those who had no ID card were asked to sign a pay order and fill out an address card, and were then assigned a specific reporting time. These claimants were later interviewed and, when the validity of their claim was established, new ID cards were prepared and forwarded, with their checks, to their homes. Any claimant who had not received a check in the prior week was told to report the following week. All claims involving ineligibility, disqualification, or appeal were held for further action. A special unit was established to expedite the handling of specific problems, but few of any consequence developed.

The success of the emergency operation was attributed to the versatility and dedication of local office personnel. Since those concerned with job placement operations could not function until adequate facilities were provided, they were pressed into claims service, mainly to control and direct the flow of claimants. With their help, initial claims were taken and processed shortly after the doors of the temporary facility were opened. Nonmonetary determinations were held up, but a regular schedule was resumed the following Monday.

While operations at the armory were proceeding smoothly, salvage operations were carried on at the site of the fire. As soon as the damaged building could be entered, local office, district, and State agency personnel waded in, and, with the assistance of a local moving concern, recovered all usable equipment, supplies, and records. Yes, "waded in," because there were still several inches of water on the floor.

Salvage operations at scene of fire.

All of the local office records were salvaged—85 percent in usable condition. The remaining records suffered water damage but were dried and then recopied. Except for a day when female personnel wore slacks to work, little change could be noted in the overall operation. As one staff member put it: "When the chips are down, the esprit de corps comes up."

The question of security, in the last analysis, is directed to the conscience. When all men are respected, each man is more secure. When all men are able to reach a maximum of competence within their own natural limitations, then each man enjoys a chance. And when each man enjoys a chance, all men are secure.

—*W. Willard Wirtz, Secretary of Labor*
(in Monthly Labor Review, June 1963)

Itinerant Claims Service in Oregon

*Eric Bergman**

Joseph, Oreg., a small community in the shadow of the Wallowa Mountains, is typical of surrounding towns which have a seasonal economy that is halted in midwinter.

A LIGHT SNOW was falling at LaGrande, Oreg., on a day last February when we made an early morning start on a 2-day, biweekly itinerant run into the Wallowa Mountain country to process claims and to distribute unemployment insurance checks to approximately 360 claimants. The author accompanied Mr. Robert Taft, claims supervisor, on the trip to these itinerant service stations, where Mrs. Donna Elliott, of Enterprise, assisted with check distribution and claims filing.

Our first stop was at the little community of Wallowa, which had a population of 989 in 1960, but has fewer now because of the big lumber mill closure in April 1964. Fifteen claimants were already waiting in the basement room of the city hall when we carried in the claims files, checks, and "Taft-built" file cabinet. The space available for claims taking is in the east end of the furnace room, where there is a long, heavy-legged table, as well as an assortment of chairs and benches for applicants to wait their turn.

Many of the claimants who came in during the day were holdovers from the mill closure; some were women who work at restaurants and other seasonal establishments during the tourist season; and other claimants were seasonal, outdoor workers whom one would expect to find in this big area of recreation, forestry, and other outdoor activity. Some of the women claimants had been employed by a telephone company that had automated its equipment.

Most of the claimants, when asked if they had earned over $44 a week during the subject week, answered in the negative. Some who had worked,

*Information Representative, Oregon Department of Employment.

Robert Taft, claims supervisor (right), and Donna Elliott processing claims of unemployed workers.

usually for a few hours, presented written records for the claims takers. Some (about 1 out of 10) were UCFE (Unemployment Compensation for Federal Employees) claimants who work for the Forest Service, the Bureau of Land Management, and the Fish and Wildlife Service and who are laid off during the winter months.

Shortly after 3 p.m., the last of the Wallowa claimants had been served. A few benefit checks were mailed to persons who were unable to come for them. And then we packed the files and checks in the car trunk and started driving through the Wallowa Valley to Enterprise, the county seat—population 1,916, elevation 3,757 feet, in the heart of the "Valley of the Winding Waters." The name Wallowa was given to the valley by its original inhabitants, the Nez Perce Indians.

We stayed overnight at Joseph, 6 miles south, at the north end of Wallowa Lake, which was formed by a glacier. The next morning, when we started for Enterprise for the day's work, it was 4 degrees above zero and about 6 inches of snow covered the ground.

Here, too, we met about 15 claimants already waiting at the door to the second-floor room that is used for various State services, such as driver-license examinations, occasional civil service examinations, and every 2 weeks for UI claims taking and distribution of benefit checks. Most of the male claimants were outdoor workers—loggers and persons working on national wildlife and forestry programs—and many of the women claimants were seasonal workers.

In the 2 days we saw little discontent, although the hard winter and the mill closure in the valley were each a big blow to its economy. We did sense confidence and expectation of good times ahead in the Wallowa Valley. Two large sawmills are still operating at Joseph and its agricultural economy is constantly on the increase, with wheat, barley, and oats selling for a combined total of $3.2 million each year. Around 15,000 head of beef cattle are sold yearly for $1.3 million.

The purpose of this brief report is to point up the tremendous value of unemployment insurance, even in small communities such as those in Wallowa County. During this 2-day trip, around $12,000 in benefit checks was distributed to eligible claimants. This source of income is important in maintaining the economy of this county where almost all of its industry is outdoor work that comes to a standstill during the winter. Actually, the unemployment insurance benefits are stabilizing a work force that is necessary to the seasonal economy of the area, just as they do in a great number of other small communities throughout the Nation.

Iowa Employer Reports on Magnetic Tape

One reel of magnetic tape (right) contains the complete quarterly earnings report for about 10,000 employees of one firm; previously, the employer's printed report (left) was transcribed onto key punch cards (center).

AN IOWA first, the submitting of quarterly employee earnings to the Iowa Employment Security Commission (IESC) on magnetic tape for direct processing on the Iowa agency's computer, has been achieved by Collins Radio Co. of Cedar Rapids.

The reports, required each quarter from every employer covered by the Iowa unemployment insurance program, are used by the IESC to determine a claimant's eligibility for benefits and the amount of his benefit entitlement, as well as to determine the amount of an employer's contribution to the unemployment insurance trust fund.

Under the previous method, preparation of this firm's report for our computer took 90 hours of IESC staff time. When we received information compiled by the firm's computers, it was assembled and printed out in a report that was sent to the IESC's accounting department. The information was then transferred to punch cards in the agency's keypunch section and checked for any transcribing errors. Finally, the data were fed into our computer and transferred to magnetic tape for a permanent record.

Under the new method the separate punch card for each of the firm's employees is eliminated. One reel of tape is more than adequate for the quarterly report on some 10,000 employees. The firm's tape is recorded and the reel is then returned for their reuse in the next quarter.

Commission Chairman Henry Carter, in thanking the firm for their fine cooperation, said, "This new system of putting information directly on magnetic tape by a company's own data-processing facilities from payroll information means a considerable saving in staff time for our agency. The data we receive contain no errors and require only a few minutes of computer operation and limited time in checking the report."

Iowa employers increasingly are sending in quarterly reports on punched cards; these also are time savers. The new methods of reporting and processing employer reports give us the time needed to do a better job on other UI program operations.

Issues Reflected in Recent Appeals Decisions*

Theft: Inconsequential or Serious?

Closed television circuits that serve as silent detectives, as well as mirrors and increasing numbers of security guards give some evidence of the continuing and growing concern with the cost to business and industry of theft and pilferage. Such losses are not merely a matter of annoyance but represent, in some cases, alarming losses in profit. Consequently, the element of dishonesty is not an uncommon basis for the loss of a job.

Similarly, in a number of benefit claims which must be explored by unemployment insurance staff, the issues to be resolved concern separations involving dishonesty. Since the charge of dishonesty ordinarily is based on allegation of specific actions involving little subjective judgment, it would seem that the problem of adjusting these claims might be relatively simple. All unemployment insurance laws provide for a disqualification when a claimant has been discharged for misconduct connected with his work or for just cause. Many laws make a separate distinction between "ordinary" misconduct and dishonest or criminal acts. Perhaps, because of the great concern with the total cost of theft, some discharges involving alleged dishonesty result from an act that appears, at least on the surface, as a petty or trivial matter. These cases sometimes may be more complex than those involving more serious and more easily identifiable acts.

The more serious form is typified by a South Carolina case involving a claimant who was a bank teller. When a customer complained of delay in receiving credit for a deposit to his account, an investigation clearly established that the claimant had been withholding deposits over an extended period of time and diverting them to her own personal use. When it was established that a substantial amount of the bank's funds had been misappropriated she was discharged, admitted her dishonesty, and agreed to make full restitution. She was convicted in Federal court and, upon a plea of guilty, was given a suspended sentence of 2 years with 5 years' probation. The decision of the Appeal Tribunal (No. 64–A–1501, Dec. 9, 1964; BSSUI MC–140.15–25) noted that the claimant's discharge resulted from misappropriation of a substantial sum of the bank's funds which could not be condoned under any circumstances. It did note, however, that the claimant had made complete restitution and that the court, in full consideration of the facts, had given only a suspended sentence. On this basis, the Appeal Tribunal reduced the disqualification from 22 weeks to 12 weeks with an equivalent deduction from her total benefits.

A North Dakota claimant confessed to the removal of merchandise from a store where she had been employed as a sales and office clerk. The value of the merchandise was not given in the decision but the implication was that the employer's loss was not great and that the claimant made full payment for the merchandise taken. The claimant appealed from her disqualification, contending that inasmuch as she paid for the merchandise the incident should not have been considered as misconduct connected with her work. The referee's decision (No. AT–1–7987–65, Feb. 1, 1965, Unp.) affirmed the earlier decision—holding that the claimant was discharged for misconduct connected with work and disqualifying her until she had earned remuneration equal to 10 times her weekly benefit amount—and explained:

"The claimant's misconduct was committed on the premises of the employer and was in connection with the work. The money value of the property taken is immaterial, as is the fact that restitution has been made to the employer for the property taken. The claimant readily admitted the facts of the case. It is concluded that the claimant was discharged for misconduct in connection with her employment."

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.

Neither of these cases involves any question about the truth of the allegations of dishonesty. Evidence of an alleged act of dishonesty was equally clear for a claimant in Utah who was discharged for removing two cans from the employer's premises. The claimant had observed a number of empty 30-gallon cans in a salvage area near the parking lot. The cans had contained materials purchased by the company and consumed in its processes. Some of the cans were almost entirely rusted away from long exposure to the weather; others were comparatively new. The salvage value of the newer cans was about 20 to 25 cents each. One afternoon, before leaving the company parking lot, the claimant, who had observed some fairly new containers among the older ones at the salvage lot, placed two of them in the back of his station wagon. He left them in plain view and took them to his home with the intention of making incinerators. He returned to work the following day and parked his station wagon in the company lot with the cans still uncovered and visible. They were observed during the day by a foreman who stopped the claimant as he prepared to drive from the lot, and the foreman took the cans. The claimant offered to pay for the cans but was not allowed to do so. The following day the plant manager went to the claimant's home and told him he was discharged.

The claimant appealed from the decision on his claim, which held that he was discharged for dishonesty constituting a crime. The appeals referee reversed the decision and held that the claimant was not discharged for dishonesty constituting a crime in connection with his work. The decision of the appeals referee (No. 64–A–3417, Nov. 30, 1964; BSSUI MC–200–13) included the following explanation:

"By the terms of the Employment Security Act, in order for a claimant to be properly disqualified on the grounds that he was discharged for dishonesty constituting a crime in connection with his work, there must be a finding, not only of the fact of the discharge for some defalcation committed by the claimant in connection with the claimant's work, but also that the defalcation was an act dishonest in its nature and was committed under such circumstances, including those of both act and intent, as to be a crime under the laws of this State.

* * * * *

"In the case at hand there is no admission by the claimant from which felonious intent could be inferred. Rather, the tenor of his testimony and that of the other witnesses tends to rebut the existence of any such intent.

"Finally, it would seem that adjudications under the Utah Employment Security Act, like adjudications under other public statutes, should take cognizance of the maxim, *de minimis non curat lex*, which for centuries has declared that 'the law cares not for small things.' Consistent with the maxim, the overt and unconcealed removal of 40 or 50 cents' worth of apparently abandoned or salvage cans should be regarded as outside the purview of Section 35–4–5(b)(2) of the Utah Employment Security Act."

Tempting foods are involved in another instance where items of seemingly trivial value may represent matters of more serious concern to the employer. Such a case involved a vegetable cook in a cafeteria. The employer required that any food eaten by employees must be checked and paid for. The claimant indicated that cooks were permitted to take sample bites of food but that she had been accused of eating food that had not been paid for. On one occasion, she had been fined $25 by the employer for eating food not paid for and, a year later, had been fined $15 by the employer for eating a muffin for which she had not paid. On her last day of work, according to the claimant, one of the cooks had asked her to sample a casserole. She did this by placing a small amount on a slice of bread which she was eating when one of the assistant managers saw her and discharged her. The Appeal Tribunal (Decision No. 172–AT–65, Oklahoma, Jan. 21, 1965, Unp.) found that the claimant's discharge for eating food that had not been paid for or checked was misconduct connected with work which subjected her to the disqualification under the law.

Similarly, the value of the food consumed by a cook at a mental health center was small but the act resulted in her dismissal. The employer prohibited the consumption of food by employees. The food involved was a glass of buttermilk which the claimant drank prior to her separation. She explained that she had felt ill, believed that the buttermilk would relieve the illness, and told the employer of this fact. About a week later, she was discharged for this action but was told that the discharge would be effective later in order to give her a 2-week advance notice of the dismissal. The claimant became emotionally disturbed at being discharged and did not report for work thereafter. The agency's determination denying benefits on the ground that the claimant had quit her job was affirmed by the Appeal Tribunal whose decision, on further appeal to the Industrial Commission, was reversed on the grounds that the claimant did not terminate her employment and that she was discharged but not for misconduct.

The decision of the court, *Milwaukee County, a municipal body corporate, Plaintiff* v. *Meta G. Kaap and Industrial Commission of Wisconsin, Defendants* (Circuit Court, Dane County, No. 115–370, Jan. 11, 1965, CCH Ohio-Par. 8424), considered both questions, i.e., whether the claimant was discharged for misconduct and whether or not she had left her work voluntarily. The court found that the claimant had been discharged but not for misconduct connected with her work and explained:

"There is more than ample evidence to sustain all of the Commission's Findings of Fact respecting the events and occurrences surrounding the alleged misconduct and the intention of the employee on a single instance to relieve her illness by the drinking of the buttermilk. The Commission's construction that 'the infraction may well have warranted a warning or reprimand, but it was not conduct of such severity or significance as to constitute a willful, wanton, and substantial disregard of the employer's interests in the absence of evidence that such conduct was habitual or done despite warnings,' is the only reasonable conclusion that could be reached.

"As stated in *Parke Davis & Co.* v. *E.S.C.*, a case involving receiving stolen property consisting of a small-size can of apple juice: The Court feels that misconduct in connection with work under the provisions of this statute must be of sufficient severity to give real concern. Here it appears that the *de minimis* doctrine applies. Admittedly the action of the claimant was wrong, but to put into motion all of the severe penalties attendant upon a declaration of misconduct in connection with his work appears to be basically unjust and inequitable. This conclusion is reached without reference to whether the action was or was not criminal in nature.' (CCH Unemployment Insurance Reports, Mich., at pp. 25, 180–181, Circuit Court of Wayne County, Mich.)"

The court also considered whether or not her failure to work the additional 2 weeks merited a finding that she had terminated her work:

"With regard to the employee's failure to work the additional 2 weeks after being discharged, the evidence is more than ample to sustain the Commission's Findings that 'in view of her discharge for a relatively insignificant infraction of the rules and her consequent emotional upset, continuing at her employment thereafter would have been extremely disagreeable and distressing and she could not reasonably have been expected to work the additional 2 weeks which she would have been permitted to do. * * * Moreover, even if her failure to work the additional 2 weeks could be construed as a termination of her employment on her part, such termination would have been with good cause attributable to the employer in view of the action of the employer * * *.' The evidence shows that the employee was definitely upset; that particularly in view of the fact that there had been trouble between her and one of her children in regard to his propensities toward theft, she made efforts to 'clear her name' in conferring with her superiors. Her emotional response to a discharge for a 6-cent 'theft' was no doubt somewhat abnormal and unreasonable, but after all it was no more unreasonable than the 6-cent discharge."

Food was involved also in a discharge of a truck driver who made deliveries to the stores of a retail food store chain. After completing a delivery to one of the stores, the claimant cut two slices from a ham in the store's refrigerator and took them to a restaurant where a waitress was given one of the slices and he ate the other. In a decision of the West Virginia Board of Review Trial Examiner (A. Case No. 55140, Mar. 2, 1965, Unp.), it was held that the claimant was discharged for dishonesty constituting gross misconduct, requiring that he be disqualified indefinitely, or until he had returned to covered employment for a period of 30 working days.

The triviality of the amounts involved was injected also into a Wisconsin decision in which the alleged theft by a worker occurred in a slightly different manner. A claimant was employed by a bakery for about 18 years as a route salesman and his duties required the sale and delivery of baked goods to about 31 retail stores each morning. In November or December of 1962, a store operator stocked an economical or "price" bread to compete with the general stores. After about a week the store operator noticed that the cheaper brand comprised the bulk of the white bread sales but that the billing from the bakery for which the claimant delivered had not dropped correspondingly. He then made a special check of inventories and found shortages. At that time he notified the claimant's supervisor of his suspicions. Investigations revealed discrepancies at the store in question and at another store. The claimant indicated that errors in billings were involved and, in contending that the discharge was not for misconduct, indicated that the shortages were trivial. The court found that the claimant was discharged for misconduct connected with his work. In the decision (*Everett V. Seils* v. *M. Erickson Bakery Company and Industrial Commission of Wisconsin*, Circuit Court, Dane County, Aug. 14, 1964; BSSUI MC–140.25–109), it was explained that:

"What was in the mind of the claimant as to the cause of his billing of more goods than he actually delivered can only be determined by his actions. The claimant was an experienced bakery route salesman and it is inconceivable that he could commit error in his billing on 12 out of 13 consecutive days unless it was intentional. Likewise, such error would not likely occur at the same

time to two different patrons unless it was intentional. The shortages all were small in amounts with the evident purpose of avoiding detection. And finally and most important, all the billings were overcharges, no undercharges. At no time did he sell himself short. If it was due to inadvertence or carelessness as plaintiff claims, probable error would come into play, and there would have been approximately as many undercharges as overcharges.

"Both his supervisor and general sales manager, experienced route salesmen, also concluded that claimant's actions were willful and intentional and immediately discharged him. The bonding company that insured claimant against defalcation, after investigation, came to the same conclusion and offered to pay $21 for the shortages that were established (T. 86, 89, 90).

"Finally, it is claimed that the shortages were trivial in amount, on the average of three per day, and therefore such slight variance should not be construed as an intentional and substantial disregard of employer's interests, especially in view of his long-time employment with the company. It is true that the shortages were trivial in amount. If it were necessary to establish to the contrary, it could well be done. The employer did not sustain any loss by the reason of the shortages. His patrons bore the losses. What he suffered was a loss of reputation for honesty in dealing with his customers. Money losses can be insured against but loss of reputation cannot. Claimant failed his employer in this respect. Honesty is one of the most cardinal and sacred duties and obligations that an employee owes to his employer. The law never sanctions dishonesty. The Commission determined that claimant had failed in that duty, and the Court agrees."

What are proper factors for consideration in unemployment insurance claims where theft is an issue? Is the value of the misappropriated property significant? Is restitution a mitigating factor? Or is conversion of any property, regardless of its value or the loss to the employer, ample basis for a finding of misconduct and the loss of benefits?

Unemployment Insurance Decisions*

To See or Not To See

Maryland.—A claimant, last employed as a consulting engineer, was denied benefits after he revealed in a conversation with the claims examiner that he did not pay attention to the Benefit Rights Interview film which is exhibited to claimants during the early weeks of their claim for benefits. The claimant was seated in the area where the film was being shown and stayed there until the film was completed. He had met all the requirements for eligibility. The Maryland Board of Review allowed benefits and, while noting that the Benefit Rights film is wholly worthwhile and effective, explained: "The law generally provides that a substantive right should not be dependent upon a matter of procedure. Particularly under the circumstances in this case, which discloses that the claimant remained in the area where the film was shown and sat with other individuals who were viewing the film but stated to an official of the local office, who was interviewing him, that he did not see the film. The mere fact that there was a clash of wills or personalities does not supersede an individual's substantive right to benefits." (Board of Appeals Decision No. 200–BH–65, May 19, 1965.)

Minnesota.—A claimant refused to watch a 15-minute Benefit Rights movie because he felt that he was familiar with the material that would be presented. The claimant, who had been a news service reporter, diligently searched for work and cooperated in every way with the representatives of the agency in interviews and procedures. His claim was allowed by the Appeal Tribunal, which explained in its decision: "From the evidence adduced at the hearing, the tribunal concludes that the claimant's refusal to view a 15-minute movie does not constitute a refusal to report to an employment office in accordance with the regulations prescribed by the commissioner. At all times material herein, the claimant has been diligently searching for work and, according to various Department personnel, was in general quite cooperative. To dogmatically insist that the claimant do everything as told without question or be disqualified from receiving benefits is, of course, being unreasonable. In the instant case, it appears that the incident may have been caused by misunderstanding on the part of all parties concerned." (Appeal Tribunal Appeal No. 627–B–65, Mar. 22, 1965.)

Night School

West Virginia.—Night school courses at a Data Processing Institute in basic machine operation required attendance two evenings per week on Tuesday and Thursday from 7 to 10 p.m. for a total of 6 hours per week. A West Virginia claimant advised the agency of these conditions and that the contract arrangement required him to attend or forfeit the tuition fees. The claimant did

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment.

not wish to take this loss. The Board of Review denied benefits and noted in its decision that his only recent civilian experience was as a laborer in a railroad car shop "where it cannot be shown that, if employed, he would not at some time be required to work on the nights he must attend class." It was held that the claimant was not available for full-time work and that because he was attending night school he was denied benefits. (Board of Review R. Case 12235 (MS) (UCX) Mar. 17, 1965.)

Office Jitters

Louisiana.—A kardex clerk, employed for 12 years, had been warned about his attitude toward fellow employees and his unreasonable displays of temper. On the last day of his employment, in an outburst of temper he threw an ashtray and label moistener to the floor, used profane language, and walked out the door. His employment was terminated. An appeals referee found that the claimant's discharge was not for misconduct connected with his work when the facts showed that he had been hospitalized and under treatment with tranquilizing drugs for a nerve condition; that there was mutual aggravation between the claimant and other employees, in which the claimant was not solely at fault; and and on the claimant's last day of work two fellow employees thumped on their desks in a manner indicating to the claimant that they were attempting to aggravate him. Because of his nervous condition his actions were found by the referee to be beyond his control and not of a deliberate manner. (Appeals Referee Docket No. 1289–AT–65, Apr. 27, 1965.)

Dilemma

Oklahoma.—An unemployed meter repairman, sent by the employment service to apply for a job in a parts department, was given an application form by the employer on which inquiry was made about previous arrests. The repairman was the defendant in a case that had not as yet been tried and he thought that any answer to the question would be contrary to his attorney's instructions about discussion of the case. The claimant, therefore, did not complete the application. The Appeal Tribunal decision found that the work was suitable and that since he did not apply for it properly he was disqualified for failing to apply for available suitable work. (Appeal Tribunal Decision No. 614–AT–65, Mar. 12, 1965.)

Eyewitness

Kentucky.—A Kentucky referee found that discharge for absence was not for misconduct connected with the claimant's work. She had been the only eyewitness to a neighbor's murder of his wife. Since the murderer's whereabouts was still unknown, she was afraid to leave her apartment before daylight and, therefore, arrived occasionally after the 5:30 a.m. starting hour. In the incident which precipitated the discharge, the referee found that she had not been late to work at her employer's establishment but had missed a bus and, therefore, had failed to report for work at the private home of the proprietor's wife. These actions the referee considered not to be misconduct connected with work. (Appeal Decision No. 65–1004, May 12, 1965.)

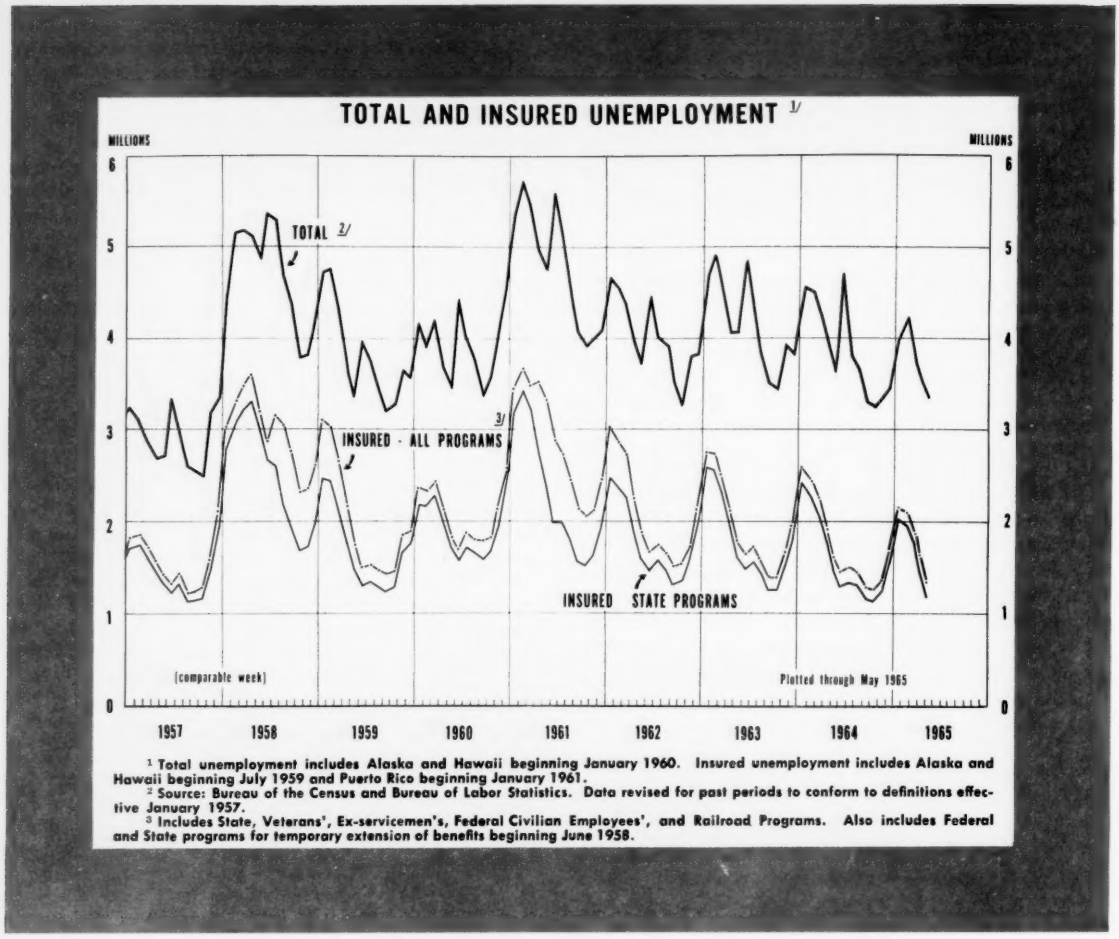
Trends in the Economy*

Most measures of the Nation's economy showed considerable strength in the first quarter of 1965. Gross national product had one of the largest quarter-to-quarter gains in the post World War II period, with substantially higher auto production and sales a dominant factor. Reinforcing the first-quarter expansion was the rising rate of investment in new plant and equipment. Added strength was shown in March, as most indicators of business activity continued to advance. Industrial production, personal income, new construction put in place, and nonfarm employment (seasonally adjusted) rose above the record levels of the preceding month.

Business Activity

Gross national product, at an annual rate (seasonally adjusted) of $648.8 billion in the first quarter of 1965, posted its largest quarter-to-quarter gain ($14.2 billion) in over 3 years. Despite increased demand, price advances continued to be moderate. The record-setting sales and production of automobiles reflected in part a rebound from the strike-affected fourth quarter. Other consumer expenditures, business fixed investment, construction activity, and State and local govern-

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.



[1] Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959 and Puerto Rico beginning January 1961.

[2] Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.

[3] Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

ment purchases showed strong gains. Net exports fell substantially as a result of a dock strike.

Gross private domestic investment showed a $4 billion over-the-quarter rise, with about half of the advance in producers' durable equipment. Outlays for business inventories increased, and the rate of accumulation reflected to some degree stockpiling of steel as a hedge against a possible strike later in the year.

Industrial production rose further in March; much of the lift continued to stem from very high steel and auto output. The index of industrial output moved up to a seasonally adjusted 140.1 percent of the 1957–59 average, some 1.2 points higher than in February and 11.1 points above the March 1964 figure. The production index for all manufacturing, at 141.8 percent of the 1957–59 average, was 1.3 points above the February level and 11.9 points above the year earlier figure. Output increases were also shown in durable and nondurable goods manufacture and in public utilities.

Auto output, at 194 percent of the 1957–59 base, more than rebounded from the minor setback caused by inclement weather in February. The index exceeded substantially that for February (178.9) and January (182.2). In March 1964, the level was 152.5 percent. The seasonally adjusted annual rate of auto assemblies this March was 10 million units—9 percent above the February figure. In the 1965 first quarter, auto assemblies totaled 2.6 million, a record for any quarter in auto history.

The production of steel also advanced in March, to 139 percent of the base (1957–59=100), compared with 137.7 percent in the preceding month. Approximately 12.2 million net tons were produced during March—a new high for any month and about 200,000 tons above the previous high of January 1960, when the industry was attempting to make up for output lost during the 1959 steel strike. For the quarter as a whole, steel producers turned out nearly 35 million tons—slightly above the tonnage record set in the 1960 first quarter. The continuing high rate of steel production reflected in part hedge-buying by steel users in the event of a steel strike later in the year.

New orders for durable goods totaled $21.2 billion in March, fractionally above the February figure and only a shade below the record $21.3 billion set in January.

March *shipments of durable goods* matched the incoming new orders figure. The $21.2 billion March figure (seasonally adjusted) compared with $20.4 billion in February and surpassed the previous record of $20.6 billion set last December. The shipment gains were well distributed, with the largest rises occurring in the primary metals and transportation equipment industries.

The *backlog of unfilled orders* at the end of March was at a seasonally adjusted $54.8 billion level—substantially above the $47.8 billion of March 1964.

Personal income rose some $2.5 billion during March to a record annual rate (seasonally adjusted) of $513.5 billion. Sizable payroll increases in the auto and primary metals industries, as well as in the lumber and machinery fields, contributed heavily to the increase. Wage and salary payments rose $2.3 billion from the previous month to an annual rate of $349.6 billion. Farm income declined to a $16.2 billion annual rate from the $16.5 billion level of February.

Retail sales during March eased from the record level of $23.2 billion (seasonally adjusted). Sales volume was about 9 percent higher than a year earlier—the same rate of year-to-year gain that was shown in January and February. Durable goods sales (seasonally adjusted) showed a slight drop in March, owing in large part to a decline in auto sales from an alltime high in February. In the nondurable goods sector, sales volume remained relatively steady over the month as lower sales by department stores were offset by increases in most other categories.

Compared with a year earlier, retail sales of durables were 13 percent higher, with auto sales up 17 percent and other categories up by an average of 5 percent. The sales volume of nondurable goods was up by about 8 percent.

Construction activity rose further in March (after seasonal adjustment), with private residential and industrial building largely accounting for the uptrend. New construction put in place reached a record (seasonally adjusted) annual rate of $67.9 billion—about $2 billion higher than last November when the current rise began. Industrial building has been rising sharply for more than a year, and this March was 28 percent higher than a year earlier. Residential building had recovered somewhat in recent months, but in March was still 3 percent below the March 1964 level. In the public sector, school and highway construction showed significant over-the-year gains.

For the first quarter of 1965, the dollar volume of construction put in place was about 3 percent higher than in the comparable 1964 quarter, but the increase in physical volume (dollar volume adjusted for price changes) was nominal.

New housing starts rebounded in March from February's 2-year low, but continued to trail the year-earlier pace. The seasonally adjusted annual rate of starts rose to 1.5 million—up 9 percent from February, but 7 percent lower than in March 1964. Over-the-month advances were shown for all areas except the South, but the major part of the gain was in the north central region.

Building permits for dwelling-unit construction were issued at a faster pace in March than in February. The seasonally adjusted annual permit rate rose by 5 percent to 1.3 million but the March figure was 5 percent below that for a year earlier. The largest over-the-month gain in permits took place in the northeast sector of the United States. Permits for construction of large apartment buildings (housing five or more families) accounted for most of the March increase.

Employment

Total civilian employment (seasonally adjusted) rose to 71.5 million in March, up by 100,000 from February and 1.6 million above a year earlier. All of the job gain from February occurred in nonfarm industries; agricultural employment (seasonally adjusted) remained near the same level as in the preceding month.

Nonfarm payroll employment was up strongly in March, increasing by 225,000 (seasonally adjusted) to nearly 60 million. Better than seasonal increases occurred in all major industry divisions except mining and the Federal Government, where changes were about usual for March. The largest gains were in trade and manufacturing; these two industry divisions accounted for nearly 55 percent of the overall rise.

Manufacturing employment, on a seasonally adjusted basis, advanced in March to 17.8 million—above the Korean conflict peak for the first time and at its highest level in 21 years. Employment gains from February, on an unadjusted basis, were posted in all durable goods industry groups, except ordnance and fabricated metals. The largest increases in the hard goods sector were in machinery and transportation equipment. In the nondurables, only food processors and tobacco manufacturers showed declines, with the employment loss in the food group somewhat more than expected for March, and the downdrift in tobacco slightly less than usual for the month.

Compared with a year earlier, factory employment was 600,000 higher, more than double the gain from March 1963 to March 1964. Although employment in nondurable goods reached record levels, three-fourths of the over-the-year upswing occurred in durable goods, mainly in the metals and metal-using industries.

In nonmanufacturing, the trade and service groups increased their employment over the year by 400,000 and 300,000, respectively, to record volumes this March. Construction and State and local government showed employment gains over the year in excess of 5 percent; these two sectors added 150,000 and 370,000, respectively, to their totals, and were both at alltime highs in March 1965 (seasonally adjusted). The public utilities industry showed a job gain of 90,000 following a long period of relative stability, and was at its highest level in 5 years. Mining and Federal Government employment showed little change from a year earlier.

Unemployment

Total unemployment dropped by nearly 500,000 from February to a March volume of 3.7 million. This decline—about twice the usual seasonal reduction for the time of year—lowered the seasonally adjusted unemployment rate to 4.7 percent of the civilian labor force. The March rate was the lowest recorded for any month since October 1957 when the rate was 4.5 percent.

More than half (273,000) of the March unemployment decline was among adult men. Their unemployment rate moved down to 3.3 percent, compared with 3.6 percent in the preceding month and 4.0 percent a year earlier. Joblessness among adult women also declined sharply over the month; their unemployment rate dropped to 4.6 percent from 5.1 percent in February and 5.6 percent in 1964. For teenagers, the unemployment volume came to 783,000, compared with 803,000 in February. Since the reduction was somewhat more than seasonal, their adjusted rate edged down to 13.9 percent from 14.4 percent in the preceding month and 14.6 percent a year earlier.

For the first 3 months of 1965, the Nation's unemployment rate averaged 4.8 percent, down from 5.4 percent in the first quarter of 1964; this was the first quarterly rate below 5 percent since the fourth quarter of 1957. After little change in the first 3 years of the current expansion, the jobless rate began to move downward in early 1964, and has now declined steadily for five consecutive quarters.

Included among the unemployed in March were 1 million persons who had been job seeking for 15 weeks or over. This was about the same volume as in February, but some 300,000 below the number in March of last year. Two out of five of the long-term unemployed this March had been jobless for 27 weeks and over.

The July issue of the *Review* will contain an article summarizing recently enacted amendments to the State employment security laws.

Insured Unemployment*

STATE insured unemployment declined about seasonally between March and April—by 248,500 or 15 percent—to a weekly average of 1,469,600. A year earlier, the weekly average was 1,755,400. The decrease from March resulted primarily from continued recalls in construction and other outdoor work. On a seasonally adjusted basis, insured unemployment remained slightly below 1.4 million, compared with 1.6 million in April 1964.

Insured unemployment under the program for Federal workers (UCFE) averaged 26,500 in April—4,400 below the March figure and 5,400 less than a year earlier. The number of jobless ex-servicemen covered by the UCX program, at 41,300 this April, was down by 7,400 from March and was 15,300 below the April 1964 level.

The national rate of State insured unemployment (not seasonally adjusted) was 3.4 percent in April, compared with 4.0 percent in March and 4.2 percent a year earlier. While Alaska's rate declined from 13.4 to 11.6 percent over the month, it remained the highest in the Nation. Three other States and Puerto Rico had April rates of more than 5.0 percent—North Dakota (7.3), California and Puerto Rico (6.2 in each), and Montana (5.5). In addition to California, large States with rates well above the national average were New Jersey (4.5) and Massachusetts and New York (4.3 in each). The District of Columbia and 13 States had rates below 2.5 percent, including such large States as Illinois, Indiana, Michigan, Ohio, and Texas.

All States Share in April Decline

Insured unemployment declined from March in all States, and in the District of Columbia and Puerto Rico. In six large industrial States—New York, Ohio, Pennsylvania, Illinois, Michigan, and Massachusetts—the declines in each amounted to more than 10,000.

The April reduction in *New York's* volume of insured unemployment (24,500 or 10 percent) was about seasonal for that time of year. Less unemployment among workers in construction and in the trade and service industries more than offset a sizable increase in joblessness in the manufacturing sector, especially the apparel industry. The bulk of the decline from a year earlier (33,500 or 13 percent) was in manufacturing, chiefly among workers in the apparel, food processing, instruments, textiles, machinery, primary metals, and miscellaneous manufacturing industries.

Insured joblessness in *Ohio*, which usually declines about 18 percent between March and April, dropped by 28 percent, or 19,000. About one-half of the decrease resulted from an upsurge in construction activity. Manufacturing accounted for about one-fifth of the reduction. Over the year, insured unemployment was down by 26,900, re-

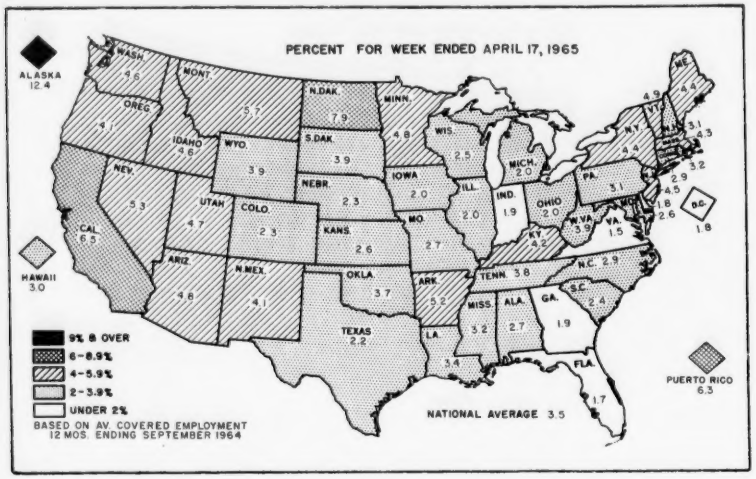
*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

Week ended—	Initial claims [1]		Insured unemployment [1]	
	1965	1964	1965	1964
March 6	242,200	271,600	1,837,400	2,161,500
March 13	222,100	265,300	1,754,600	2,104,900
March 20	208,700	248,100	1,697,700	2,011,800
March 27	212,700	248,600	1,653,700	1,977,500
April 3	226,500	264,900	1,599,200	1,910,000
April 10	261,900	281,700	1,552,500	1,856,500
April 17	214,600	232,300	1,498,300	1,761,000
April 24	203,200	229,000	1,431,700	1,682,300
May 1	197,200	225,900	1,344,000	1,597,400
Weekly averages				
March	222,100	259,000	1,718,100	2,049,900
April	219,900	246,000	1,469,600	1,755,400

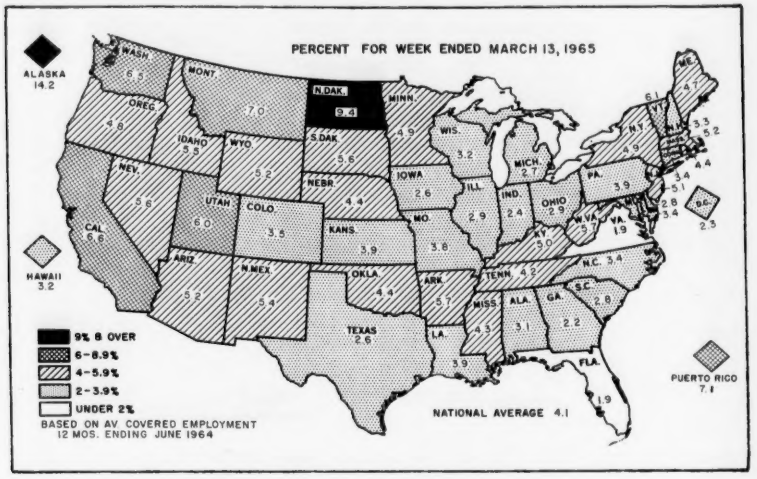
[1] Refers to State programs only.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

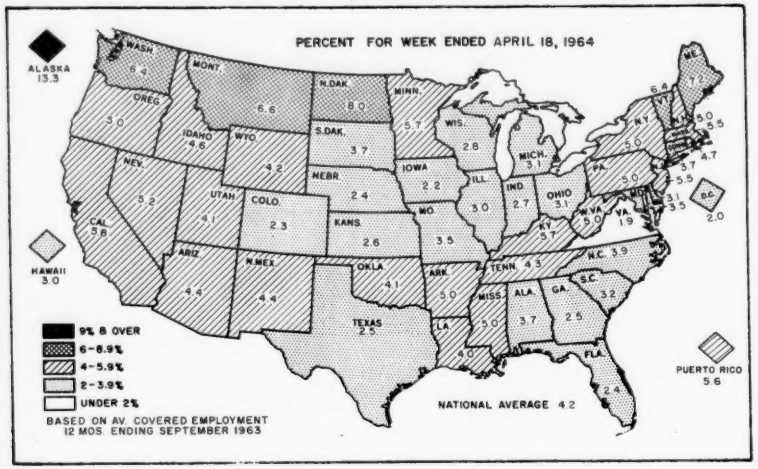
LATEST MONTH



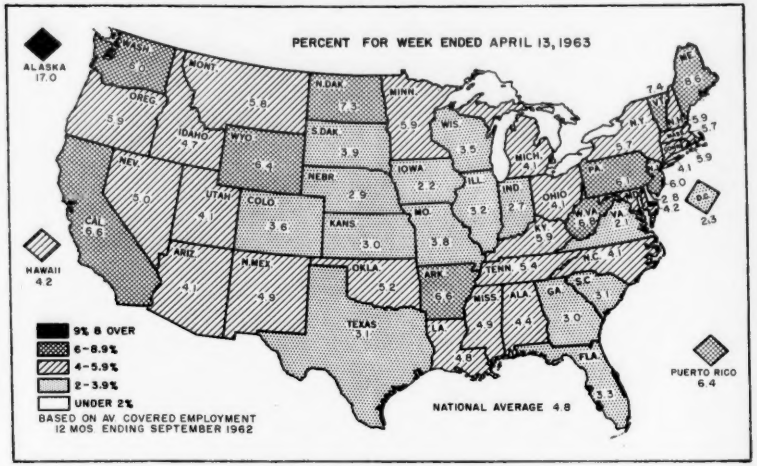
PREVIOUS MONTH



ONE YEAR AGO

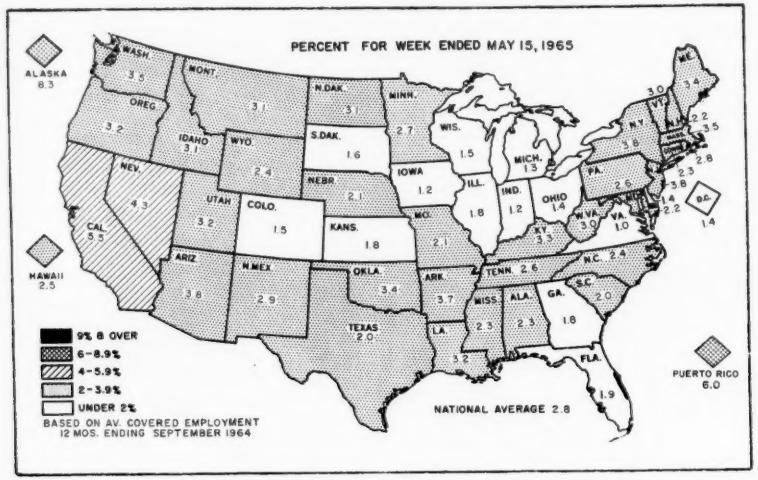


TWO YEARS AGO



STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

LATEST MONTH



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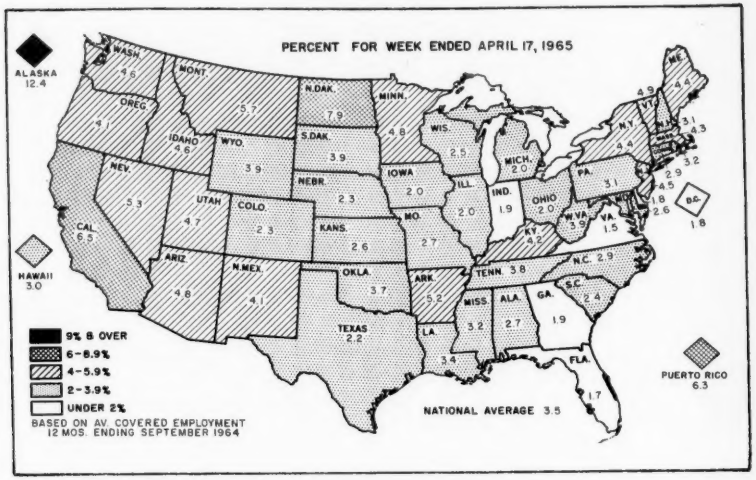

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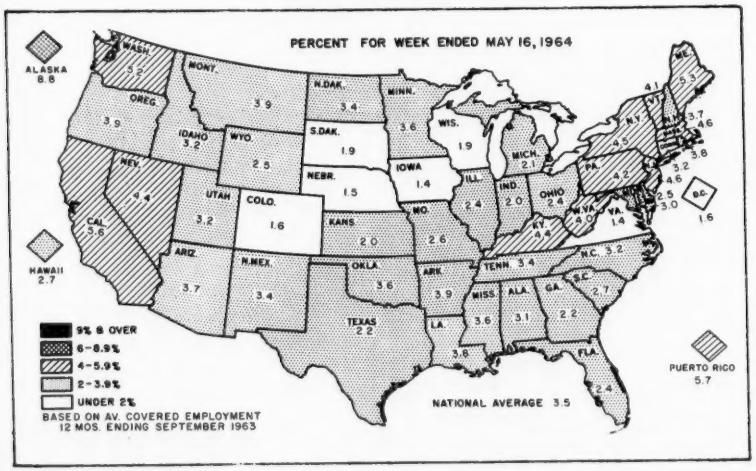
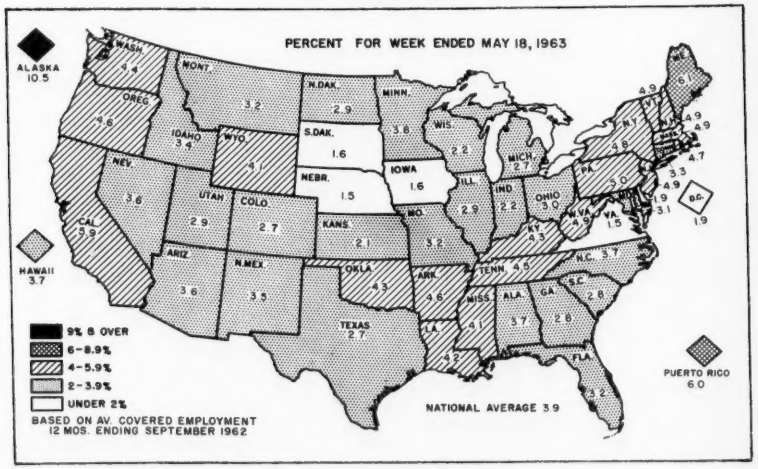


TWO YEARS AGO



flecting less joblessness among workers in construction and trade and in electrical machinery and primary metals manufacturing.

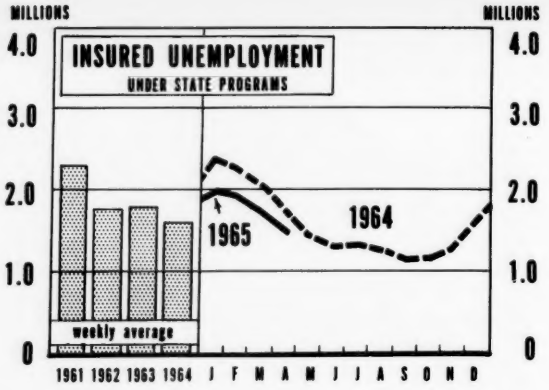
Pennsylvania's more than seasonal decline in insured unemployment (18,500 or 17 percent) lowered the April weekly average to 91,900. The decrease was mainly among workers in the construction and trade industries. Among the States, Pennsylvania reported the largest drop (54,200) from a year earlier. More than half of this reduction was in the manufacturing sector.

A seasonal decrease of 16,300, or 21 percent, occurred among *Illinois* insured jobless. Construction workers accounted for one-half of this decline, and trade workers, about one-fifth. The insured jobless total was down by 18,100 from April 1964, with small declines among workers in all industries except mining, and ordnance, paper, and stone-clay-glass manufacturing.

Michigan reported a more than seasonal decline of 11,900, or 25 percent. This drop in insured unemployment was attributed in large part to a stepped-up pace in nonmanufacturing, primarily construction. From April a year earlier, insured joblessness was down by 16,700; over one-half of the decrease was among factory workers in a wide range of industries.

Insured joblessness in *Massachusetts* fell seasonally by 11,200, or 15 percent, as a pickup in construction and increased hiring in trade more than offset a sharp unemployment rise among apparel and leather workers. The State's insured unemployment total was 18,700 lower than in April 1964. About three-fourths of this decline was among workers in the manufacturing sector, notably the electrical machinery, leather, and textile industries.

Three States that reported only moderate over-the-month changes showed sizable changes from a year earlier. California had an increase of 24,600, but New Jersey and Washington had decreases of 15,500 and 11,800, respectively. Current hiring in the construction and service industries accounted for over three-fourths of California's increase. New Jersey's decline was chiefly among workers in manufacturing industries. The bulk of Washington's reduction from the April 1964 level reflected employment gains in both the construction and transportation industries.



Initial Claims Down Seasonally

Initial claims under State programs declined about as expected between March and April—by 2,200, or 1 percent, to an average of 219,900 per week. This was nearly 11 percent below the 246,100 weekly average in April 1964. Under the UCX program, initial claims this April averaged 4,900 per week—some 765 less than in March. Jobless civilian Federal workers (UCFE program) filed an average of 2,200 claims per week in April, about the same as the preceding month's figure.

Claimant Exhaustions Near March Level

During April, some 1.3 million persons dropped out of the State unemployment insurance programs—virtually the same number as in March. Of those who stopped filing this April, approximately 117,800, or 9 percent, had exhausted their

Activity[1]	Number or amount April 1965	Percent change from— March 1965	Percent change from— April 1964	January–April cumulative (in thousands) 1965	January–April cumulative (in thousands) 1964
Initial claims[2]	956,100	−5.3	−12.0	4,518	5,251
Weeks claimed[2]	6,658,300	−17.6	−17.6	30,881	37,379
Insured unemployment (weekly average)[2]	1,469,600	−14.5	−16.3	1,772	2,111
Beneficiaries (weekly average)	1,372,500	−15.9	−18.2	1,587	1,893
Benefits paid[3]	$224,896,500	−17.7	−12.8	$992,012	$1,146,831
Claimant exhaustions	117,800	+.7	−21.6	441	554

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly figure represents gross amount; cumulative data represent net amounts.

benefit rights; this was an increase of 800 from a month earlier but was 32,400 below the April 1964 level. The remainder of the dropouts presumably were recalled to work, found new jobs, or left the labor force, while others may have been disqualified from the receipt of benefits.

Benefit Payments Decline Sharply

Nearly $242.7 million in benefits was paid to jobless workers under all regular unemployment insurance programs in April, compared with $294.9 million in March and $280.9 million in April 1964. Benefits paid under State programs were down by $48.5 million from March to $224.9 million in April. Benefit disbursements under the railroad program amounted to $6.2 million, and under the two Federal programs totaled $11.6 million.

The average weekly benefit check for totally unemployed workers covered by State programs was $37.16 in April—25 cents less than in March but $1.14 more than a year earlier. Wisconsin, Colorado, and California paid the largest average benefit amounts—$44.52, $44.36, and $44.23, respectively. Puerto Rico and three States—Maine, Mississippi, and North Carolina—paid benefits averaging less than $25 per week.

More than 8 percent of all unemployment benefit checks distributed in April were for partial unemployment. Aside from Montana, which had no claimants receiving weekly benefit checks for partial unemployment, the proportion ranged from 1.9 percent in Indiana and Puerto Rico to 15.7 percent in Georgia and 18.1 percent in North Dakota. The average weekly check for partial unemployment was $22.23 in April, 32 cents less than in March but $1.45 higher than in April 1964.

Large gains in employment, national output, and average levels of living were made in 1964—gains far more rapid than have been achieved in most recent years. There was also some decrease in unemployment, despite accelerated growth in the labor force. But only modest progress was made in reducing the critical problems of joblessness among young workers, whose numbers will soon skyrocket, and among nonwhite workers. Unemployment and underemployment remain very high also among unskilled and uneducated workers in general.

The rapid pace of scientific, technological and other change continues as a dominant fact of our era, affecting fundamentally all aspects of the country's manpower situation. In 1964, change had many faces—seen, for example, in the rapid productivity gains in manufacturing and other industries, in changing defense requirements and consequently needed adjustments, in shifting personnel requirements in the professions and other occupations, and in the ferment in education and training. The challenge which confronts us is not merely to adjust successfully to technological and other change but to make it the means for solving the country's mutually intensifying problems of poverty and ignorance, urban and rural blight, insufficient economic growth, and chronic unemployment.

—*Manpower Report of the President and a Report on Manpower Requirements, Resources, Utilization, and Training by the U.S. Department of Labor.* (March 1965)

Selected Unemployment Insurance Statistics, State Programs
March 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending March 31, 1965 (in thousands)		Funds available March 31, 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/1009128	8/8077566	8/1718101	1631306	$37.41	117016	$273371849	$2396937	$3285801	$6984445
Alabama	9458	71090	17309	14208	26.05	1374	1671995	16784	34644	78953
Alaska	1494	19605	4660	4763	38.27	814	832521	5190	9167	10/10789
Arizona	9475	66110	13806	11446	37.56	960	1959115	15385	15086	63896
Arkansas	8749	88353	18227	15512	27.49	1273	1908766	13273	14203	26522
California	176567	1311986	279270	272937	43.91	18335	55063896	9/529020	525794	576545
Colorado	7553	63908	13033	12667	44.87	901	2524069	13314	20635	54426
Connecticut	13557	127621	26745	26916	40.61	2375	4955087	44201	57674	173230
Delaware	1750	16288	3369	3912	37.78	310	659942	6264	10758	19297
Dist. of Col.	2656	31988	6580	6742	40.82	386	1258984	9750	9775	62181
Florida	15344	89723	19087	10769	28.25	1469	1366888	22766	46584	161711
Georgia	11686	83703	17962	13793	28.69	1919	1688229	17971	37686	175883
Hawaii	2337	23795	5347	4643	38.77	300	781336	7297	11599	19091
Idaho	3747	33241	6564	5844	39.15	863	1002236	6994	9474	26920
Illinois	47994	364847	76505	74755	39.80	5861	13295572	103760	181158	477546
Indiana	16836	117764	26222	26794	30.77	3715	3765868	30286	50070	161888
Iowa	5221	57271	12144	10801	31.26	913	1467899	9366	14436	110643
Kansas	6658	68027	13720	13757	39.68	1062	2453779	15792	17327	58484
Kentucky	9467	111425	23507	19527	33.17	1226	2852466	23009	30897	109596
Louisiana	11942	103088	22106	20094	32.37	1516	2891656	24192	36686	112493
Maine	5797	42885	8834	7732	25.97	958	880867	8244	12406	29282
Maryland	10551	102965	23830	24621	34.81	1180	3828569	32529	67899	145752
Massachusetts	40617	370280	77188	74877	42.37	5801	13932475	124026	141708	178215
Michigan	27136	208455	48309	39355	37.89	4039	6785848	70717	197574	10/416079
Minnesota	12649	178381	39672	36752	30.53	1713	5086510	33597	25796	12823
Mississippi	6724	60045	12353	10711	24.91	782	1196111	9754	20823	50146
Missouri	26539	183283	37326	31255	34.58	2095	4690075	35367	50339	215272
Montana	3581	33845	8290	7707	31.59	564	1123826	6923	5859	17990
Nebraska	2856	40647	9688	9555	35.13	699	1522843	8419	10402	40077
Nevada	4461	31194	6497	7361	39.06	633	1294579	10406	13571	27788
New Hampshire	4388	24719	5095	4153	34.76	211	625993	5882	8323	25460
New Jersey	56910	388805	81579	82841	40.56	7669	14989629	139900	143228	265615
New Mexico	4007	34764	8247	7763	30.03	340	1052191	7892	7739	33739
New York	160824	1181749	246145	259320	40.58	11310	46363549	396040	460138	1104734
North Carolina	22425	142365	33696	33010	22.87	1948	3329712	31624	51161	217037
North Dakota	1201	27947	6629	7153	39.34	215	1291110	5703	5714	5529
Ohio	37562	326460	67083	63157	40.41	2988	11513700	91764	222123	224176
Oklahoma	8235	79804	16733	11682	26.89	1010	1417364	14746	19099	42825
Oregon	13109	96535	19826	18199	34.99	1124	2867380	25086	38274	81169
Pennsylvania	72947	526469	110415	106405	34.10	4493	15889078	150144	305006	10/632063
Puerto Rico	8/8081	8/78491	8/18803	10634	16.90	1961	876349	9/16434	20354	52036
Rhode Island	8169	50731	10358	10012	33.01	883	1453470	13600	22154	45282
South Carolina	9038	60463	12965	10673	28.04	1321	1341115	13560	21511	87177
South Dakota	1081	22016	4404	3841	31.59	248	538601	2935	2809	14281
Tennessee	12874	141940	29467	25346	28.28	1835	3190747	26454	42538	85828
Texas	23941	201237	48471	43856	29.97	6097	5917311	53349	63696	232584
Utah	4013	57924	11579	10497	38.75	919	1841785	12930	10939	34869
Vermont	2189	21723	4535	4137	35.81	154	653767	5810	5032	5783
Virginia	7482	67985	14132	12235	30.00	1062	1655588	11795	25893	137302
Washington	24020	191392	38841	30977	32.50	4432	5746206	58698	59916	187301
West Virginia	7669	83662	17155	16191	25.49	625	1852628	13555	14776	57198
Wisconsin	14763	151004	30358	28455	44.74	2623	5726240	42208	48937	190888
Wyoming	1536	17242	3438	2987	40.29	112	537329	2833	6413	8053

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $757,044 in payments under extended duration provisions of State laws in two States: California $704,426 and Puerto Rico, $52,618.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

Selected Unemployment Insurance Statistics, Federal Programs [1]
March 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	9,962	145,159	31,792	$5,547,926	$37.50	25,503	227,200	47,749	$7,983,997	$36.21
Alabama	157	2,273	525	70,325	29.13	389	3,272	725	101,424	30.43
Alaska	119	2,124	645	117,693	39.68	51	496	111	19,250	37.60
Arizona	179	2,422	609	105,000	37.50	433	2,989	630	111,000	38.28
Arkansas	74	2,219	319	44,035	30.00	205	2,785	540	76,170	30.68
California	1,810	26,534	4,909	1,119,509	47.41	4,266	41,170	7,705	1,503,603	41.59
Colorado	88	1,670	385	79,477	44.83	333	3,117	656	123,812	41.04
Connecticut	57	595	128	24,784	42.08	182	1,323	253	42,312	36.38
Delaware	10	177	33	6,240	41.60	48	301	68	12,402	39.50
Dist. of Col.	212	3,921	1,078	220,666	44.48	130	980	210	37,848	39.14
Florida	165	1,853	216	29,270	29.48	705	4,423	855	124,957	31.77
Georgia	174	2,182	444	64,753	31.71	306	2,480	486	74,856	33.49
Hawaii	114	1,313	342	66,290	42.12	151	1,042	237	46,550	42.75
Idaho	83	2,568	545	102,432	40.84	145	1,764	384	63,620	36.05
Illinois	380	3,968	892	140,243	34.19	905	5,826	1,284	210,170	35.57
Indiana	56	630	147	21,218	31.48	407	2,618	576	86,580	32.67
Iowa	39	430	73	9,621	28.55	215	1,687	391	55,328	30.75
Kansas	54	926	188	31,354	36.25	292	2,784	570	101,388	34.70
Kentucky	148	2,281	509	80,104	34.20	530	5,380	1,094	177,480	35.28
Louisiana	145	1,798	313	47,277	32.85	341	3,386	695	111,698	34.95
Maine	57	700	129	12,826	21.59	135	1,451	294	43,420	32.07
Maryland	200	1,647	289	47,211	35.50	375	2,149	498	85,055	37.14
Massachusetts	280	5,020	1,320	272,531	44.88	511	5,060	1,261	228,737	39.42
Michigan	163	2,096	433	70,708	35.51	757	4,851	976	145,149	32.33
Minnesota	102	2,016	559	63,967	24.89	422	5,991	1,461	232,858	34.65
Mississippi	184	1,962	418	49,038	25.47	137	1,030	205	26,319	27.85
Missouri	177	1,999	403	61,151	33.00	587	5,347	1,138	180,642	34.50
Montana	113	2,896	711	107,719	32.92	159	1,526	355	52,857	32.35
Nebraska	47	861	246	38,483	34.17	110	1,054	258	41,403	34.88
Nevada	70	628	137	24,824	39.47	121	670	133	23,649	38.64
New Hampshire	68	583	183	35,316	41.94	90	825	186	35,584	41.67
New Jersey	335	2,828	494	99,350	43.71	823	6,536	1,436	266,195	40.31
New Mexico	208	3,059	702	103,920	32.17	238	1,894	438	66,126	32.80
New York	1,055	11,032	2,309	419,842	39.52	1,925	14,381	3,008	492,316	35.58
North Carolina	138	2,266	553	61,610	24.21	403	3,152	762	112,256	32.02
North Dakota	36	850	216	35,716	35.90	111	2,146	531	89,098	36.49
Ohio	201	2,220	633	107,223	36.85	1,138	9,396	1,662	270,818	35.42
Oklahoma	105	2,188	399	50,333	27.44	271	3,822	688	94,085	29.75
Oregon	175	3,077	726	115,044	34.45	366	3,263	722	127,236	38.32
Pennsylvania	498	6,960	1,514	246,097	35.34	1,958	17,582	3,577	596,361	36.25
Puerto Rico	40	947	216	35,812	36.06	145	2,976	652	105,456	35.14
Rhode Island	45	671	148	24,214	35.50	123	954	215	33,255	33.56
South Carolina	70	964	211	30,619	31.53	222	1,620	340	53,364	34.16
South Dakota	44	909	212	30,573	31.39	71	1,366	334	48,448	31.50
Tennessee	268	5,874	1,437	229,585	34.73	522	5,154	1,051	153,829	31.82
Texas	310	4,650	1,258	186,910	32.30	999	8,800	2,534	401,481	34.44
Utah	76	2,542	565	105,497	40.56	151	2,277	436	71,863	35.84
Vermont	6	165	37	6,379	37.52	47	608	126	20,313	35.08
Virginia	189	2,429	408	64,352	34.30	334	2,883	509	79,810	34.11
Virgin Islands	3	35	7	1,011	30.64	4	7	0	70	35.00
Washington	484	7,520	1,760	278,831	34.44	1,283	10,236	2,359	402,954	37.13
West Virginia	38	866	198	20,231	22.26	477	5,554	1,157	156,066	29.31
Wisconsin	90	2,008	449	91,463	44.31	410	4,156	848	143,998	36.92
Wyoming	23	807	213	39,249	40.13	44	660	129	22,478	37.91

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $48,914 in payments under extended duration provisions of State laws in California. UCX includes $29,590 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Selected Unemployment Insurance Statistics, State Programs
April 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending April 30, 1965 (in thousands)		Funds available April 30, 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/ 956143	8/ 6658336	8/ 1469568	1372515	$37.16	117792	$224896504	$2365738	$3328436	$7137562
Alabama	9441	67721	15165	12788	26.12	1352	1439401	16459	33131	80202
Alaska	1943	18024	4121	3883	38.03	228	659976	5102	9439	10/ 10789
Arizona	8351	56149	12632	10694	37.46	953	1745910	15699	15011	63492
Arkansas	9397	67466	14788	11487	27.57	1479	1344268	13274	14477	27094
California	167840	1204694	269670	253436	44.23	18757	56272100	9/ 538792	534672	560732
Colorado	5329	41069	8664	8677	44.36	986	1629968	13611	19888	54310
Connecticut	15796	104040	22621	21134	39.03	2388	3570909	43074	57700	180310
Delaware	1544	11211	2453	2664	37.04	330	419344	5923	10687	20253
Dist. of Col.	2468	24081	5234	5515	40.95	372	989273	9717	10016	62156
Florida	20594	79138	18161	10920	28.33	1550	1330217	22294	47721	164892
Georgia	11416	69679	16418	11927	28.69	1942	1386935	17584	38039	177161
Hawaii	2794	21354	4916	4271	39.84	261	689275	7240	10883	20698
Idaho	3650	24390	5605	4968	39.47	882	793644	6795	9565	27108
Illinois	35340	276030	60252	59351	39.11	5489	9885084	100782	181966	478059
Indiana	17330	92203	19794	19818	30.69	3053	2651219	29315	48096	165320
Iowa	6658	42733	9055	8367	30.75	1219	1079853	9205	14336	110395
Kansas	4621	43414	9180	10236	39.10	1053	1717211	15898	17751	60212
Kentucky	10353	87874	19732	16708	33.03	1159	2301040	22245	31201	110607
Louisiana	14391	90677	20691	18638	32.03	1791	2549207	23903	34652	114855
Maine	5553	37405	8662	6684	24.87	325	698549	7857	12145	30796
Maryland	15168	89247	19010	18632	34.04	1285	2697173	31756	70009	149233
Massachusetts	42394	301209	66005	63285	41.18	5453	10713292	121314	139758	179668
Michigan	22869	176827	36376	34216	37.37	4320	7504664	68440	193700	10/ 474732
Minnesota	15522	168529	34416	32276	30.39	1631	4228680	32702	28983	15089
Mississippi	5659	43802	9458	8271	24.65	657	874892	9415	20741	51446
Missouri	20444	128414	27978	24035	33.78	2280	3331076	34793	50593	226132
Montana	3225	31008	6218	6745	31.56	854	940004	6829	5787	17412
Nebraska	2220	32714	6511	7345	34.79	852	1100710	8387	10268	39587
Nevada	4205	26539	5988	6002	39.27	568	1016569	10378	13171	27877
New Hampshire	4113	20354	4717	3296	33.20	32	450719	5576	8483	25782
New Jersey	45807	331536	73106	73143	39.99	7284	12419930	136738	138577	258068
New Mexico	4005	31676	6812	6820	29.69	337	872105	8021	7882	33842
New York	164337	987022	221611	217202	40.05	12057	36492829	391735	482347	1131626
North Carolina	21009	121294	28877	27686	22.63	1998	2653415	30546	52419	219829
North Dakota	1304	24711	5352	5266	39.58	315	911986	5740	5805	5477
Ohio	28676	230495	48097	46984	39.64	3023	8016094	87590	232207	240613
Oklahoma	7969	66581	14872	12538	26.74	1134	1446181	14665	18771	43531
Oregon	14254	78555	17685	15036	34.40	911	2219217	24512	37542	83409
Pennsylvania	69547	417405	91918	85925	33.70	4098	12048830	143198	313625	10/ 232912
Puerto Rico	8/ 9182	8/ 72057	8/ 17436	10531	16.96	2460	858972	9/ 16794	20471	52328
Rhode Island	7759	37405	8138	7618	31.59	741	997335	13204	22359	46534
South Carolina	8083	52410	11007	9780	29.18	1186	1179932	13282	20765	87161
South Dakota	793	13664	2925	3247	31.37	473	4296607	2815	2753	14042
Tennessee	12906	112478	24450	20712	27.91	2164	2462373	25955	43261	88243
Texas	24856	184725	42078	36357	29.76	5811	4651651	52925	63463	230623
Utah	3518	39790	8926	7746	38.09	989	1270373	12948	11152	36764
Vermont	1757	17024	3618	3838	35.33	192	569770	4930	5226	6148
Virginia	7081	47967	10696	8983	29.30	1461	1138352	11492	26037	137739
Washington	21135	133792	28990	28740	32.61	4028	4052040	56691	58450	192166
West Virginia	6281	61360	13125	12400	25.31	636	1346047	13169	14986	57787
Wisconsin	10236	106554	22845	23235	44.59	2871	4442177	41582	51196	203983
Wyoming	927	10432	2516	2370	40.06	122	404126	2852	6272	8339

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $7,924,997 in payments under extended duration provisions of State laws in two States: California $7,848,854 and Puerto Rico, $76,143.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs [1]
April 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	9,717	119,500	26,995	$4,814,805	$37.81	21,215	187,917	41,301	$6,752,352	$36.28
Alabama	203	1,961	422	53,543	28.83	339	2,952	628	84,127	30.43
Alaska	207	2,605	664	118,958	40.73	59	532	113	18,193	36.75
Arizona	176	2,019	474	79,118	37.93	323	2,671	584	98,614	38.40
Arkansas	227	1,918	246	32,815	30.30	195	1,929	388	52,667	30.84
California	1,231	23,003	4,870	1,345,887	47.68	3,521	36,281	7,635	1,552,272	41.49
Colorado	86	1,114	309	60,017	44.10	262	2,338	546	99,476	41.40
Connecticut	37	487	108	19,573	41.29	184	1,029	188	29,305	35.35
Delaware	12	156	27	4,594	38.61	34	262	56	9,736	39.42
Dist. of Col.	229	3,488	955	188,865	44.93	114	931	197	34,045	39.31
Florida	162	1,539	193	25,013	29.53	572	3,756	784	109,643	31.80
Georgia	181	1,814	350	49,625	32.20	282	2,145	431	63,448	33.43
Hawaii	94	1,221	339	63,136	42.32	113	1,024	238	44,980	42.96
Idaho	44	1,002	281	49,707	40.15	86	1,176	300	47,607	36.12
Illinois	317	5,322	752	112,335	33.95	707	4,642	1,040	163,204	35.65
Indiana	90	479	110	15,519	32.13	328	2,107	455	64,938	32.45
Iowa	34	298	54	6,697	28.38	204	1,282	302	40,357	30.34
Kansas	88	716	168	25,574	34.61	174	1,899	475	80,787	38.67
Kentucky	195	1,957	429	63,230	33.49	384	4,430	984	152,202	35.15
Louisiana	209	1,678	287	40,749	32.31	327	2,994	561	86,638	35.08
Maine	170	642	104	9,641	21.05	184	875	193	26,814	31.62
Maryland	196	1,363	251	40,429	36.55	339	1,825	385	65,552	37.54
Massachusetts	216	4,221	1,100	218,118	45.07	415	4,073	1,080	189,732	39.92
Michigan	182	1,810	383	59,526	35.33	719	4,516	941	135,368	32.69
Minnesota	152	1,905	496	53,910	24.72	371	5,305	1,303	197,359	34.43
Mississippi	201	1,536	340	38,644	25.85	95	811	173	21,560	28.26
Missouri	192	1,532	326	48,027	33.44	399	3,811	940	145,493	34.68
Montana	129	2,491	551	79,394	32.73	106	1,396	311	44,400	32.43
Nebraska	32	623	166	24,520	33.59	66	899	210	31,912	34.61
Nevada	47	484	110	18,287	37.78	100	573	113	19,736	39.55
New Hampshire	71	364	116	21,071	41.15	60	353	100	17,741	40.41
New Jersey	236	2,362	415	78,928	43.29	629	5,303	1,105	194,992	40.11
New Mexico	162	2,178	590	82,746	31.85	315	1,790	402	57,726	32.61
New York	969	9,073	1,886	324,453	39.09	1,666	11,594	2,463	384,320	35.47
North Carolina	156	1,956	470	51,399	24.83	291	2,517	655	92,936	32.25
North Dakota	43	812	159	25,400	36.39	81	1,884	386	62,250	36.62
Ohio	153	1,913	525	83,991	36.33	878	7,216	1,333	205,846	35.10
Oklahoma	118	1,808	441	52,408	27.00	210	3,271	749	97,930	29.72
Oregon	139	1,954	468	70,810	34.42	315	2,283	531	89,342	38.26
Pennsylvania	516	5,985	1,345	212,970	36.00	1,608	14,027	2,997	476,735	36.15
Puerto Rico	54	918	199	31,062	35.50	353	3,369	675	104,924	35.35
Rhode Island	92	646	119	18,545	35.32	33	564	145	21,372	33.39
South Carolina	103	849	179	25,103	31.85	182	1,480	315	47,815	34.52
South Dakota	43	646	182	24,837	31.09	40	884	284	39,515	31.64
Tennessee	357	4,996	1,233	183,788	33.88	488	4,546	961	134,466	31.79
Texas	407	4,585	1,168	165,646	32.25	865	8,555	2,167	328,264	34.43
Utah	75	1,648	390	67,620	39.41	133	1,537	340	53,358	35.71
Vermont	11	134	29	4,849	37.59	33	412	103	15,955	35.38
Virginia	156	1,686	317	48,232	34.62	202	2,178	416	62,765	34.39
Virgin Islands	2	26	9	1,189	30.49	4	8	1	270	45.00
Washington	377	5,465	1,327	202,706	34.72	1,130	7,676	1,796	293,880	37.18
West Virginia	46	579	127	11,892	21.35	366	4,491	988	128,139	29.46
Wisconsin	70	1,087	300	55,550	42.15	305	3,090	733	118,958	36.90
Wyoming	22	446	137	24,159	40.06	26	425	103	16,688	37.00

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $324,352 in payments under extended duration provisions of State laws in California. UCX includes $158,435 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

INCOME-MAINTENANCE PROGRAM OPERATIONS

All Programs

	1965		1964	
	February	January	February	January
Total Public Income-Maintenance Payments (millions)	$3,119	$3,105	$2,976	$3,001
Old-age, survivors, and disability insurance	1,397	1,380	1,326	1,312
Railroad and public employee retirement	1/478	1/474	1/426	1/420
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/456	2/464	2/489	2/531
Veterans' compensation and pension programs	342	345	321	331
Public assistance	446	442	415	407
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	19,923	19,868	19,186	19,125
Retired workers	10,737	10,710	10,355	10,327
Survivors and dependents	8,276	8,256	7,997	7,969
Disabled workers	910	902	835	829
Total monthly benefits (millions)	3/$1,338	3/$1,333	3/$1,275	3/$1,269
Retired workers	835	832	799	795
Survivors and dependents	420	419	401	399
Disabled workers	83	82	76	75
Public Assistance				
Total recipients (thousands)	8,235	8,194	8,007	7,939
Federally aided programs	7,434	7,388	7,075	6,987
Aid to families with dependent children--children	3,312	3,275	3,098	3,043
Total recipients	4,424	4,372	4,142	4,060
Old-age assistance	2,150	2,155	2,189	2,190
Other federally aided programs	860	861	744	737
General assistance: Cases	352	352	374	376
Recipients	801	806	932	952
Total payments (millions)	4/$446	4/$442	4/$415	4/$407
Federally aided programs	413	410	381	373
General assistance	23	23	25	26

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA		MDTA	
	March 1965	February 1965	March 1965	February 1965	March 1965	February 1965
Total paid trainees	58,960	55,049	4,624	4,097	54,336	50,952
Youths	11,699	10,963	NA	NA	11,699	10,963
Total net benefits	$9,760,795	$8,132,028	$278,214	$218,357	$9,482,581	$7,913,671
Training allowances	7,930,267	6,559,465	278,214	218,357	7,652,053	6,341,108
Youth allowances	(5/)	(5/)	NA	NA	(5/)	(5/)
Subsistence allowances	1,243,363	1,053,774	NA	NA	1,243,363	1,053,774
Transportation allowances	587,165	518,789	NA	NA	587,165	518,789

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	March 1965	February 1965	March 1965	February 1965	March 1965	February 1965	March 1964	February 1964
California								
State plan								
Basic benefits	56,509	49,192	333,124	269,429	$17,952,251	$14,467,396	$15,889,774	$13,503,201
Additional hospital benefits	6/35,437	6/28,726	7/253,960	7/206,845	3,047,520	2,482,140	2,736,168	2,460,936
Private plan	3,461	2,672	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New Jersey								
State plan	9,119	8,501	66,311	50,408	2,570,048	1,955,838	2,072,143	2,021,889
Private plan	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New York	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
Rhode Island	3,210	3,231	30,513	24,985	1,067,762	873,338	923,665	836,146
Railroad								
Sickness	13,794	12,611	9/105,994	10/88,918	3,394,936	2,713,160	3,297,914	3,174,952
Maternity	159	88	9/2,204	10/1,970	154,023	135,538	179,022	161,165

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.
5/ Data for youth allowances are not available separately but are included in training allowances.
6/ Represents the number of payments made. 7/ Days for which additional hospital benefits were paid. 8/ Data not available.
9/ Estimated from data "benefit periods" compensated which number 45,912 for sickness and 1,015 for maternity.
10/ Estimated from data "benefit periods" compensated which number 52,997 for sickness and 1,102 for maternity.
NA--Not applicable.

INCOME-MAINTENANCE PROGRAM OPERATIONS

All Programs

	1965		1964	
	March	February	March	February
Total Public Income-Maintenance Payments (millions)	$3,192	$3,119	$3,039	$2,976
Old-age, survivors, and disability insurance	1,408	1,397	1,348	1,326
Railroad and public employee retirement	1/482	1/478	1/431	1/426
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/496	2/456	2/503	2/489
Veterans' compensation and pension programs	345	342	332	321
Public assistance	461	446	425	415
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	19,990	19,923	19,285	19,186
Retired workers	10,772	10,737	10,409	10,355
Survivors and dependents	8,301	8,276	8,034	7,997
Disabled workers	917	910	842	835
Total monthly benefits (millions)	3/$1,344	3/$1,338	3/$1,283	3/$1,275
Retired workers	839	835	804	799
Survivors and dependents	421	420	403	401
Disabled workers	84	83	76	76
Public Assistance				
Total recipients (thousands)	8,335	8,235	8,070	8,007
Federally aided programs	7,527	7,434	7,157	7,075
Aid to families with dependent children--children	3,361	3,312	3,149	3,098
Total recipients	4,492	4,424	4,207	4,142
Old-age assistance	2,152	2,150	2,189	2,189
Other federally aided programs	883	860	861	744
General assistance: Cases	359	352	373	374
Recipients	808	801	913	932
Total payments (millions)	4/$461	4/$446	4/$425	4/$415
Federally aided programs	426	413	390	381
General assistance	24	23	25	25

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA		MDTA	
	April 1965	March 1965	April 1965	March 1965	April 1965	March 1965
Total paid trainees	57,014	58,960	4,587	4,624	52,427	54,336
Youths	11,554	11,699	NA	NA	11,554	11,699
Total net benefits	$9,344,921	$9,760,795	$281,127	$278,214	$9,063,794	$9,482,581
Training allowances	7,614,983	7,930,267	281,127	278,214	7,333,856	7,652,053
Youth allowances	(5/)	(5/)	NA	NA	(5/)	(5/)
Subsistence allowances	1,159,492	1,243,363	NA	NA	1,159,492	1,243,363
Transportation allowances	570,446	587,165	NA	NA	570,446	587,165

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	April 1965	March 1965	April 1965	March 1965	April 1965	March 1965	April 1964	March 1964
California								
State plan								
Basic benefits	47,493	56,509	300,992	333,124	$16,265,974	$17,952,251	$15,574,642	$15,889,774
Additional hospital benefits	6/24,518	6/35,437	7/185,233	7/253,960	2,222,796	3,047,520	2,662,908	2,736,168
Private plan	3,587	3,461	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New Jersey								
State plan	7,816	9,119	58,302	66,311	2,237,850	2,570,048	2,161,414	2,072,143
Private plan	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New York	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
Rhode Island	2,934	3,210	27,196	30,513	944,159	1,067,762	917,663	923,665
Railroad								
Sickness	11,029	13,794	9/91,824	10/105,994	2,686,378	3,394,936	2,821,646	3,297,914
Maternity	136	159	9/2,030	10/2,204	142,829	154,023	165,500	179,022

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5/ Data for youth allowances are not available separately but are included in training allowances.
6/ Represents the number of payments made. 7/ Days for which additional hospital benefits were paid. 8/ Data not available.
9/ Estimated from data "benefit periods" compensated which number 52,997 for sickness and 1,102 for maternity.
10/ Estimated from data "benefit periods" compensated which number 44,459 for sickness and 985 for maternity.
NA--Not applicable.

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Issues Reflected in Appeals Decisions on Unemployment Benefits

• fourth series •

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U.S. DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary
MANPOWER ADMINISTRATION
BUREAU OF EMPLOYMENT SECURITY
Washington, D.C. 20210

Issues Reflected in Appeals Decisions on Unemployment Benefits **is a document containing reprints of articles published in issues of *The Labor Market and Employment Security* and the *Unemployment Insurance Review* during the period December 1962 through October 1964.**

- ★**The articles deal basically with interpretations of the eligibility and disqualification provisions of the State unemployment insurance laws.**
- ★**They reveal the type of difficult problems often involved in the unemployment benefit appeals process.**
- ★**They reflect the variety of views among administrative appeals tribunals and courts on the issues involved.**

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